



**DEPARTMENT OF THE NAVY
COMMANDER SUBMARINE FORCE
UNITED STATES PACIFIC FLEET
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COMSUBLANT/COMSUBPACINST 7330.5A
N41
26 January 2000

COMSUBLANT/COMSUBPAC INSTRUCTION 7330.5A

Subj: FINANCIAL MANAGEMENT INSTRUCTION (FMI)

Ref: (a) NAVSO P-3013 (Financial Management of Resources)
(b) NAVSUP P-485 (Afloat Supply Procedures)
(c) NAVSO P-3006 (Financial Management for Shore Activities)
(d) Financial Management Regulations/NAVCOMPT Manuals

1. Purpose. To promulgate combined COMSUBLANT/COMSUBPAC procedures for the management of operating forces and shore activities financial resources. This is a major revision, which should be read in its entirety.

2. Cancellation. COMSUBLANT/COMSUBPACINST 7330.5.

3. Summary of Changes. This instruction has been completely rewritten to update and promulgate new guidance concerning financial management, with specific emphasis on:

- a. Accounting changes resulting from the change from the Fleet Resources Accounting Module (FRAM) to Standard Accounting and Reporting System (STARS) Field Level (FL).
- b. Redirection of accounting workload to TRIREFAC Kings Bay/NAVIMFAC PACNORWEST for the majority of COMSUBLANT and all of COMSUBPAC afloat units.
- c. Requiring the expanded use of computer technology to streamline reporting requirements. This includes the direction to provide obligation transmittals to Defense Mega Center and to access accounting reports either through STARS or via the Internet.
- d. Updating guidance to LANTFLT units regarding reimbursable orders, as required by the consolidation of accounting functions into CINCLANTFLT.
- e. Deleting all references to Report 21 processing, as this already covered in both reference (b) and COMSUBLANT/COMSUBPAC 4406.2 (Tender Supply Management Instruction).
- f. Providing more topics for the section on "unique spending situations," including the

purchase card program.

g. Providing guidance to shore activities on charging reimbursable customers for incremental/non-incremental costs.

h. Adding COMUNDERSEASURV as a (shore activity) subordinate under COMSUBLANT; replacing the previous SSN squadron structure in COMSUBLANT with the Submarine Squadron Support Unit (SSSU); replacing USS Simon Lake (AS 33) with USS Emory S. Land (AS 39); deleting SUBASE Bangor and Pearl Harbor as a subordinate under COMSUBPAC; and making other miscellaneous subordinate changes.

4. Discussion. The FMI is applicable to all Submarine Force ships, staffs and shore activities of the Atlantic/Pacific Fleet. It is designed to supplement references (a) through (d) and is intended to provide basic financial guidance.

5. Action. Administer financial resources in accordance with this instruction.

/s/

J. C. BRANDES
Chief of Staff

/s/

M. C. TRACY
Chief of Staff

Distribution:

SNDL (Parts I and II)

26G FBM OPTESTSUPPUNIT 2

26K COMUNDERSEASURV

26WW DEEP SUBMERGERGENCE UNIT

28K SUBMARINE GROUP AND SQUADRON

29N SUBMARINE (SSN)

29P2 AUXILIARY RESEARCH SUBMARINE (AGSS), PAC

29Q FLEET BALLISTIC MISSILE SUBMARINE (SSBN)

32DD SUBMARINE TENDER (AS)

36A AUXILIARY REPAIR DRYDOCK (ARD)(AFDM) (less STEADFAST)

36D DEEP SUBMERGENCE VEHICLE (DSV) (DSRV)

FA13 NAVSUBSUPPFAC

FA42 SUBTORPFAC

FA50 TRIREFFAC LANT

FB45 NAVIMFAC PACNORWEST

Copy to:

21A FLEET COMMANDERS IN CHIEF (CINCLANTFLT/CINCPACFLT only)

26MM FLTILOTEAM

FB47 DFAS-OPLOC (Norfolk, San Diego)

FT55 Navy Supply Corps School

A2A NAVCOMPT Washington, DC

RECORD OF CHANGES

<u>Change</u>	Date of	Date of	<u>Signature, Rank/Rate of Person Making Entry</u>
<u>Number</u>	<u>Change</u>	<u>Entry</u>	

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FINANCIAL MANAGEMENT INSTRUCTION

SECTION:

- 1 INTRODUCTION TO FINANCIAL MANAGEMENT
- 2 MANAGEMENT OF AFLOAT OPERATING FUNDS
- 3 MANAGEMENT OF SHORE OPERATING FUNDS
- 4 MANAGEMENT OF INVESTMENT FUNDS
- 5 MANAGEMENT OF SPECIAL PURPOSE FUNDS
- 6 AREAS OF SPECIAL INTEREST

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SECTION 1: INTRODUCTION TO FINANCIAL MANAGEMENT**CHAPTER 1 INTRODUCTION**

1101	Purpose
1102	Objective
1103	Background
1104	Philosophy
1105	Financial Management Players
1106	Contingency Planning

CHAPTER 2 FINANCIAL MANAGEMENT POLICY

1201	Schedule of Operating Authority/Expense Limitation
1201.1	Funds Distribution
1201.2	Continuing Resolution Authority (CRA)
1202	Types of Funds
1202.1	Missions Readiness and Other Ship Operations
1202.2	Ship Operational Support and Training
1202.3	Intermediate Maintenance
1202.4	Space Systems and Surveillance
1202.5	Warfare Tactics
1202.6	Combat Support Forces
1203	Statutory Limitations
1204	Administrative Limitations

CHAPTER 3 COMSUBLANT/COMSUBPAC COMPTROLLER ORGANIZATION

1301	Duties
1302	Accounting Structure
1303.1	COMSUBLANT Accounting Structure
1303.2	COMSUBPAC Accounting Structure

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SECTION 1**INTRODUCTION TO FINANCIAL MANAGEMENT****CHAPTER 1 INTRODUCTION**

1101. PURPOSE. To promulgate Commander Submarine Force, U.S. Atlantic Fleet (COMSUBLANT) and Commander Submarine Force, U.S. Pacific Fleet (COMSUBPAC) policies and procedures for the administration of financial resources provided assigned units/activities.

1102. OBJECTIVE. To supplement directives issued by higher authority and provide a ready reference for matters affecting financial resources management. Duplication of material contained in directives of higher authority has been avoided except when necessary for the purpose of interpretation or amplification.

1103. BACKGROUND. This instruction provides policy and procedural guidance for developing, managing and accounting of financial resources. It is the single reference guide within COMSUBLANT/COMSUBPAC for policy and procedures for the management of afloat, shore, investment and special purpose funds; spending guidelines/limitations; unique spending situations and procurement policy and is considered to be sufficiently detailed to be used at the force unit/activity level.

1104. PHILOSOPHY. The burden of financial management responsibility lies with the Operating Target (OPTAR)/Operating Budget Holder. In COMSUBLANT/COMSUBPAC, this is generally the Group/Squadron Commander (OPTAR holder) or activity Commanding Officer (Operating Budget Holder), who will be responsible for the most effective and efficient use of resources used in the performance of his/her assigned mission. Both the Group/Squadron Commander and activity Commanding Officer shall ensure periodic budget performance reviews/internal audits are conducted to certify the propriety of expenditures and to investigate significant deviations from financial plans. Procedures should also be established which inform the Group/Squadron Commander or activity Commanding Officer on at least a monthly basis of the status of operating funds.

1105. FINANCIAL MANAGEMENT PLAYERS. Effective financial management involves the participation of many players, including:

a. **Major Claimant.** In the Navy's financial management chain of command, CINCLANTFLT/CINCPACFLT serves as COMSUBLANT/COMSUBPAC's immediate senior and is referred to as a Major Claimant or Adminstrating Office. CINCLANTFLT/CINCPACFLT provides budget formulation and execution oversight for COMSUBLANT/COMSUBPAC as well as other Navy activities such as COMNAVBASE Pearl Harbor. During budget formulation, CINCLANTFLT/CINCPACFLT promulgates guidance, reviews and approves the COMSUBLANT/COMSUBPAC budget prior to submission to NAVCOMPT. During budget execution, CINCLANTFLT/CINCPACFLT determines funding allocation levels to

COMSUBLANT/COMSUBPAC and monitors execution performance against the approved budget to make sure COMSUBLANT/COMSUBPAC effectively and efficiently utilizes its allocated financial resources.

b. **Resource Sponsor**. Our resource sponsor is OPNAV N87. It is their job to negotiate the varieties of funds management and requirements for the Submarine Force from procurement of new platforms to ensuring the OPTAR is available for each boat. N87 manages this process by use of baseline assessments and history for input into the Program Objectives Memorandum (POM) process.

c. **Authorized Accounting Activity**. Defense Finance and Accounting Service (DFAS) through its operational locations (OPLOC) of Defense Accounting Office, Norfolk and San Diego perform official accounting services for assigned customers including COMSUBLANT/COMSUBPAC. DFAS maintains COMSUBLANT/COMSUBPAC's official financial accounting records and provides budget execution and accounting reports to CINCLANTFLT/CINCPACFLT. These reports serve as COMSUBLANT/COMSUBPAC's budget execution report card. CINCLANTFLT/CINCPACFLT uses these reports to monitor COMSUBLANT/COMSUBPAC's execution performance against the approved budget and to determine how effectively financial resources are being managed. Adverse reports could provide rationale for CINCLANTFLT/CINCPACFLT and/or NAVCOMPT to recoup allocated funds or to cut future budgets.

d. **Force Comptroller**. The COMSUBLANT/COMSUBPAC Comptroller serves a dual-hatted role as the Financial Officer to the Commander Submarine Force, U.S. Atlantic/Pacific Fleet, (N02F/OOF1) and as the administrator and overseer of budgets for submarine operational forces (Code N413). The Force Comptroller formulates and executes the budget, determines program priorities and allocates funds to cost centers.

e. **Responsibility Centers**. For the purpose of this instruction, responsibility centers refer to all OPTAR holders and Operating Budget Holders that receive funding directly from COMSUBLANT/COMSUBPAC. These activities are listed in paragraphs 1301.1 and 1301.2 and, in general, include all groups, squadrons and shore activities. Groups and squadrons which are considered "afloat" activities (i.e., assigned a "V" or "R" service designator code and fall under the cognizance of reference (a)), receive a funding allocation called an Operating Target (OPTAR) from the Comptroller. Shore activities (i.e., assigned a Service Designator Code of "N" and fall under the cognizance of reference (c)), receive a funding allocation called an Operating Budget, or Resource Authorization (NAVCOMPT Form 2168-1). Responsibility centers determine and sub-allocate funds and are responsible for ensuring that funding limits are not exceeded. They submit requirements via an Annual Financial Plan/Budget to the Comptroller annually prior to the beginning of the fiscal year.

f. **Cost Centers**. For the purpose of this instruction, cost centers refer to the submarines, support ships and service craft. These activities receive OPTAR grants from Squadrons or other responsibility centers.

1106. CONTINGENCY PLANNING. Effective efficient management of scarce financial resources is challenging given changes in operating conditions, priorities, costs and funding levels. Activity financial managers often do not know the "real" bottom line of their spending limits until the last day of the fiscal year. In good times, mid-year and end of year funds distribution can result in the problem of determining how to spend funds by 30 September. In hard times, last minute funding cuts and spending freezes can be a traumatic experience for an unprepared cost center. Contingency planning conceived during less stressful times can assist financial managers in dealing with unexpected change. Financial managers must anticipate many different funding level scenarios, weigh options and their ramifications and allow for sufficient time to plan appropriate action. Budget deficits and funding shortfalls are more likely than additional funding in the future. It is strongly recommended that each OPTAR/Operating Budget Holder carefully examine its own programs to determine what areas can be scaled back and what areas can be eliminated. Depending upon externally and internally mandated requirements, not all will be able to adjust their programs to the same degree. OPTAR Holders/Operating Budget Holder must prioritize programs and eliminate excess fat while maintaining the muscle.

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CHAPTER 2 O&MN FINANCIAL MANAGEMENT POLICY

1201. SCHEDULE OF OPERATING AUTHORITY/EXPENSE LIMITATION. The form in which the TYCOM receives Operations and Maintenance, Navy (O&MN) funding is called a Schedule of Operational Authority/Expense Limitation. COMSUBLANT/COMSUBPAC is given the document with specific limits attached to funding for the fiscal year, for fiscal quarters and for Budget Activities (BA I and IV for COMSUBLANT, BA I for COMSUBPAC) which may not be exceeded. Within the Budget Activities, CINCLANTFLT/PACFLT provides funding targets for the functional programs described in paragraph 1202. Also, the Expense Limitation may contain "ceilings" or "floors" to control spending in certain special interest areas, such as Full-Time Equivalent (FTE) Workyears, travel of personnel and TRIPER Program.

1201.1. FUNDS DISTRIBUTION. Funds are provided to all Squadrons, Groups and other afloat units on a quarterly OPTAR basis for necessary expenses associated with the routine operation of assigned units. TRIREFAC Kings Bay, NAVIMFAC PACNORWEST, COMUNDERSEASURV, NAVSUBSUPPFAC NLON and SUBTORPFAC Yorktown are funded as Operating Budget Holders on a Resource Authorization (NAVCOMPT 2168-1).

1201.2. CONTINUING RESOLUTION AUTHORITY (CRA). Provisions of the Congressional Budget and Impoundment Control Act of 1974 require the Congress to pass the annual DOD Appropriation Act by 1 October. In the event the Act has not been passed by this time, the Congress provides funding authority through a CRA. The intent of the CRA is to provide funds to maintain operations at a rate necessary for the orderly continuation of activities until regular appropriations are passed. Some restrictions usually apply - specific rates of obligations are prescribed by the Secretary of Defense; new starts are discouraged; and certain programs of Congressional interest are restricted or prohibited. COMSUBLANT/COMSUBPAC will provide guidelines specific to each CRA as occurring.

1202. TYPES OF FUNDS. O&MN funding is received for the following functional programs:

1202.1. MISSIONS READINESS AND OTHER SHIP OPERATIONS. This category equates to Sub-Activity Group (SAG) 1B1B and encompasses Repair Parts, Other OPTAR, Military Sealift Command and Fleet TAD/Commands & Staffs. These categories are defined as follows:

a. **Repair Parts.** The term repair parts is defined in reference (b), paragraph 6025-41 as items, including modules and consumable type material, which has an equipment application and appears in an Allowance Parts List (APL), Stock Number Sequence List (SNSL), Integrated Stock List (ISL), Naval Ship Systems Command drawings, or a manufacturer's handbook. Part III Section A of the COSAL (SNSL of Storeroom Items) lists repair parts and equipment related consumables normally stocked by the supply department. Any item listed in COMSUBLANT/COMSUBPACINST 4406.1 series paragraph 204.2 is considered a repair part for ordering purposes. In addition, materials, such as general purpose hardware, metals, lumbers and lubricating oils are to be considered repair parts when the material is used for accomplishing maintenance action. Note that not all items having an APL are to be considered as repair parts.

Organizational clothing (e.g., coveralls, deck shoes) food service material, flags and pennants, medicinals, habitability items (e.g. bedding, paint) forms, medals and insignia and other general use consumables are not to be treated as repair parts.

b. **Other OPTAR.** Funding for consumable items for the day-to-day operation of the ship; hull and structural maintenance and preservation materials; equipage items (i.e., damage control pumps/blowers, labor savings devices); petroleum, oil and lubricants (for purposes other than propulsion of ships); and medical/dental supplies. Also included is funding provided to commercial activities or other naval activities for contractual services, telephones, charter and hire, vehicle rental, printing orders, audio visual equipment, special storage of household goods, etc. Refer to Section 2 for additional information.

c. **Military Sealift Command (MSC) Charter.** MSC Charter provides funding for charter of CAROLYN CHOUEST and DELORES CHOUEST for sea trial escort, sonar calibration support, open ocean torpedo recovery, weapons system testing, special warfare training and escorts, Prospective Commanding Officer (PCO) training/evaluation, underwater search and recovery and submarine rescue. Additionally funding is provided for the charter of KELLIE CHOUEST. This ship is used to transport and deploy the deep submergence vehicles, operated by COMSUBDEVRON FIVE, for submarine rescue, salvage operations and scientific exploration.

d. **Fleet Temporary Additional Duty (TAD)/Commands & Staffs (C&S).** Addresses travel to places away from a permanent or temporary duty station to perform duties for a temporary period of time and upon completion of the assignment, return to the permanent or temporary duty station for operating force units and Submarine Groups and Squadrons. This category also includes funds for consumable supplies, equipment procurement and maintenance, services and civilian labor of Group/Squadron staffs, TRIREFAC SUBLOGCEN Detachment, Norfolk; OPTESTSUPPUNIT TWO; SUBLOGSUPPCEN, Bremerton; and PACSUBFOROPS, Pearl Harbor.

1202.2. SHIP OPERATIONAL SUPPORT AND TRAINING. This category, SAG 1B2B, represents Combat Systems Readiness (CSR) which includes funding to conduct torpedo proficiency firings, Pre-Commanding Officer (PCO) operations, Over-the-Horizon (OTH) targeting for TOMAHAWK/HARPOON SUBROC exercises, RANGEX and LANTSUBASWEX support and various tactical development (TACDEV) requirements.

1202.3. INTERMEDIATE MAINTENANCE. Funding is provided under SAG 1B3B for Repair of Other Vessels (ROV) conducted by submarine tenders or Shore Intermediate Maintenance Activities (SIMA) and includes materials, civilian labor (for SIMAs) and contractual services for maintenance actions. Work includes emergency manufacture of unavailable parts, machining work for valves and equipment, repair and test of weight handling equipment, repairs to authorized service craft, weld repairs, nuclear work, D&F SHIPALTS and alterations and improvements to installed equipment and major equipment overhaul/repair, etc. IMAs also provide services including printing, photography, optical repairs, engraving, canvas work, strainer shield manufacture, etc. In order to qualify for funding from this category, the work must be

accomplished or coordinated by the IMA, as opposed to ship's force (i.e., organizational maintenance), or shipyard (i.e., depot maintenance). IMA maintenance in the Pacific region has undergone a number of regionalizations in which Pearl Harbor Naval Shipyard (PHNSY) and IMF Pearl Harbor and SIMA Everett and NAVIMFAC PACNORWEST have merged. These regionalizations are intended to enhance the maintenance of the whole region.

1202.4. SPACE SYSTEMS AND SURVEILLANCE. Used by COMSUBLANT only, SAG 1C3C represents funds provided to Commander Undersea Surveillance (CUS) to support tactical and strategic forces through the detection, classification, tracking and reporting of subsurface, surface and air maritime activities, participation in active/passive acoustic research and related activities in support of U.S. national objectives.

1202.5. WARFARE TACTICS. Used by COMSUBPAC only, SAG 1C4C represents Fleet Exercise Logistics Support, which provides funding associated with planning conferences required to implement various PACFLT exercises.

1202.6. COMBAT SUPPORT FORCES. Within SAG 1C6C, includes funding for COMSUBLANT/COMSUBPAC headquarters staff for civilian personnel, materials/supplies, contractual services, travel, etc.

1203. STATUTORY LIMITATIONS. Statutory limitations are those fiscal restraints on the obligation and expenditure of appropriated funds imposed by law. The two major statutory limitations are 31 U.S. code 1301 and 31 U.S. Code 1517 (Anti-Deficiency Act):

a. 31 U.S. Code 1301 – limits the expenditure of funds for the purpose for which they were appropriated. COMSUBLANT/COMSUBPAC subordinates generally receive two types of appropriated funds – O&MN for “expense” and OPN for “investment” purchases, respectively. Typically a 1301 violation occurs when equipment (other than supply system materials/equipment) or “systems” (ADP, telephone, etc.) costing \$100,000 or more are purchased incorrectly with O&MN funds. Under this circumstance a 31 U.S. Code 1301 violation has occurred; however no criminal penalties can be levied. Any discovered misapplication of appropriated funds, however, must be immediately corrected. When the correcting entry is recorded in the official accounting records, charges will be transferred to the applicable current or expired appropriation. Note: If no appropriated funds were granted or insufficient funds are available, a 31 U.S. Code 1517 violation will occur and the reporting requirements of reference (d), Volume 14 must be followed.

b. 31 U.S. Code 1517 – prohibits any act which will result in an obligation or expenditure in excess of the funds allocated on an expense limitation or operating budget (for O&MN funding) or allotment (for OPN funding). OPTAR holders cannot individually incur a 1517 violation. However, they can be cited as a “culpable” party if their actions cause the TYCOM to incur a 1517 violation. When it is determined that an apparent or actual 1517 violation exists, it must then be reported to CNO via the chain of command following the guidelines contained in reference (d), Volume 14. Even inadvertent occurrence of a 1517 violation will result in both administrative discipline and/or criminal prosecution, dependent upon the severity of the violation. Administrative discipline for civilians includes written admonishment or reprimand, grade

reduction, suspension, or removal from office. Military members are subject to action under Uniform Code of Military Justice (Article 92). Criminal penalties for both military and civilian members include fines up to \$5,000 and/or two years in prison. The individuals responsible for the violation must be identified in the formal Investigation Report. In addition, appropriate disciplinary actions must be levied upon the culpable parties.

1204. ADMINISTRATIVE LIMITATIONS. Administrative limitations are restrictions on the use of funds but are not legal limitations. Guidance concerning administrative limitations (e.g., Full-Time Equivalent Workyears, Maintenance of Real Property, Travel, etc.) will be included in subordinates quarterly funding grants, if applicable.

CHAPTER 3 COMSUBLANT/COMSUBPAC COMPTROLLER ORGANIZATION

1301. DUTIES. The Comptroller Department works for COMSUBLANT/COMSUBPAC Assistant Chief of Staff for Supply and Financial Management (Code N41). As a staff function, it provides financial management services and guidance to COMSUBLANT/COMSUBPAC units and information to higher echelon. Specific responsibilities include:

- a. Functions as the action officer for all matters concerning fiscal policy, financial control and accounting for COMSUBLANT/COMSUBPAC;
- b. Plans/coordinates and submits to higher echelon the O&MN Apportionment Budget, OPN Budget, ORF (Official Representation Funds) Budget, Program Objective Memorandum (POM), Sponsor Program Proposal (SPP), Funding Status Review and Certified Obligations;
- c. Plans for execution of current year O&MN funds; analyzes, recommends and issues COMSUBLANT/COMSUBPAC Quarterly OPTAR grants to Groups, Squadrons and Afloat activities; Operating Budgets to shore activities;
- d. Provides technical guidance, rulings and interpretations on funding policies and procedures as requested by the Staff and Force;
- e. Provides and analyzes monthly variance analysis reports for execution of funds; initiates transfers and reprogramming where necessary;
- f. Initiates outgoing reimbursable within COMSUBLANT/COMSUBPAC's centrally managed programs;
- g. Performs the review and analysis of Consulting Services;
- h. Develops vulnerability assessments and management control reviews relating to the Management Control Program for N413 functions;
- i. Manages the Financial Management Information System (FMIS) (COMSUBLANT only), GRACE Data Warehouse (COMSUBPAC only), Automated Travel Order System Plus (ATOSPLUS) and TYCOM Budget/Executions Tracking System (TBETS) (COMSUBLANT only).
- j. Monitors the accuracy and suitability of STARS/FL; submits trouble reports to correct deficiencies;
- k. Controls and processes unmatched disbursements;
- l. Coordinates the review and budgetary impact of Inter/Intra Service Support Agreements (ISSAs);

- m. Administers incoming reimbursables for use by afloat activities;
- n. Performs accounting and reporting functions for Staff/Force Special Purpose Funds;
- o. Monitors Force Prompt Payment and purchase card interest penalties; coordinates payment of frustrated vendor invoices.

1302. ACCOUNTING STRUCTURE. This section provides a list of COMSUBLANT and COMSUBPAC subordinate activities that receive funding grants either as OPTAR holders or as Operating Budget (OB) Holders. It also identifies what activity and system provides its accounting services as liaison to the Authorized Accounting Activity (AAA).

1302.1. COMSUBLANT ACCOUNTING STRUCTURE

<u>ACTIVITY</u>	<u>OPTAR/ OB</u>	<u>SQDN/GRP ACCOUNTING ACTIVITY</u>	<u>LOCAL MEMORANDUM ACCOUNTING SYSTEM</u>	<u>LOCATION</u>
COMSUBGRU 2	OPTAR	COMSUBGRU 2	MicroSNAP	New London
COMSUBGRU 8	OPTAR	COMSUBGRU 8	MicroSNAP	Naples, IT
COMSUBGRU 10	OPTAR	TRIREFFAC	T-OPTAR	Kings Bay
SSSU New London	OPTAR	TRIREFFAC	SNAP	New London
SSSU Norfolk	OPTAR	TRIREFFAC	SNAP	Norfolk
NSSF NLON	OPTAR	NSSF NLON	MRMS	New London
COMSUBRON 16	OPTAR	TRIREFFAC	T-OPTAR	Kings Bay
COMSUBRON 20	OPTAR	TRIREFFAC	T-OPTAR	Kings Bay
COMSUBRON 22	OPTAR	USS E.S.LAND	SUADPS/SNAP	La Maddalena
SUBLOGCEN	OPTAR	SUBLOGCEN	MicroSNAP	Norfolk
TRIREFFAC KB	OB	TRIREFFAC KB	STARS	Kings Bay
NSSF NLON	OB	SUBASE NLON	STARS	New London
NSTF YKTN	OB	SUBASE NLON	STARS	Yorktown
CUS	OB	CUS	STARS	Norfolk

1302.2. COMSUBPAC ACCOUNTING STRUCTURE

<u>ACTIVITY</u>	<u>OPTAR/ OB</u>	<u>SQDN/GRP ACCOUNTING ACTIVITY</u>	<u>LOCAL MEMORANDUM ACCOUNTING SYSTEM</u>	<u>LOCATION</u>
COMSUBGRU 7	OPTAR	FISC Puget	MicroSNAP	Yokosuka
COMSUBGRU 9	OPTAR	FISC Puget	MicroSNAP	Bangor
COMSUBDEVRON 5	OPTAR	CSDS-5	MicroSNAP	San Diego
COMSUBRON 1	OPTAR	FISC Puget	MicroSNAP	Pearl Harbor
COMSUBRON 3	OPTAR	FISC Puget	MicroSNAP	San Diego
COMSUBRON 7	OPTAR	FISC Puget	MicroSNAP	Pearl Harbor
COMSUBRON 11	OPTAR	FISC Puget	MicroSNAP	San Diego
		USS MCKEE	SUADPS	San Diego
COMSUBRON 17	OPTAR	FISC Puget	T-OPTAR	Bangor
SUBLOGSUPPCEN	OPTAR	FISC Puget	MicroSNAP	Bremerton
USS Frank Cable	OPTAR	USS F. Cable	SUADPS	Guam
TRIREFFAC BR	OB	FISC Puget	STARS-FL	Bangor

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SECTION 2: MANAGEMENT OF AFLOAT OPERATING FUNDS**CHAPTER 1 TYPE/PURPOSE OF FUNDS LOCALLY MANAGED**

2101	Afloat Activity Defined
2102	OPTAR Grants
2102.1	Fund Code Cross-Reference to OPTAR Grants
2102.2	Fund Code Decision Table
2102.3	Repair of Other Vessel (ROV) Fund
2103	Reimbursable Orders (Incoming)
2104	Restriction on the Issuance of NAVCOMPT 2275
2105	Centrally Managed Programs
2105.1	TYCOM Centrally Managed Programs
2105.2	Fleet Centrally Managed Programs
2105.3	Hardware Command Centrally Managed Programs - COSAL
2106	Ship Commissionings/Transfers/Decommissionings
2107	Host Tenant Agreements

CHAPTER 2 ANNUAL FINANCIAL PLAN (AFP)

2201	Definition
2202	Purpose
2203	Concept of Development
2204	Data Sources for AFP Development
2205	Costing Out an AFP
2206	Required AFP Submissions
2207	AFP Format and Instructions

CHAPTER 3 OPTAR/SPECIAL ACCOUNTING PROCEDURES

2301	OPTAR Recordkeeping
2301.1	Reconciliation
2302	Financial Reports Required from the OPTAR Holder
2302.1	OPTAR Document Transmittal Report (NC 2156)
2302.2	Budget/OPTAR Report (BOR) (NC 2157)
2302.3	Weekly Financial Report
2302.4	Situation Report
2303	Accounting Reports Provided to the OPTAR Holder
2303.1	Summary Filled Order/Expenditure Difference Listing (SFOEDL)
2303.2	Unfilled Order Listing (UOL)
2304	Prior Year Funds Management Procedures
2305	Year-End Closing Procedures
2306	Cost Transfers
2307	Requirement for Additional Funds
2308	Financial Advisories

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SECTION 2

MANAGEMENT OF AFLOAT OPERATING FUNDS**CHAPTER 1 TYPE/PURPOSE OF FUNDS LOCALLY MANAGED**

2101. AFLOAT ACTIVITY DEFINED. Section 2 provides guidance particular to afloat activities. Afloat activities are defined as those COMSUBLANT/COMSUBPAC subordinate activities assigned either a “V” or “R” service designator code and which operate under reference (a) procedures. In general, COMSUBLANT/COMSUBPAC afloat activities include all submarines, surface ships, service craft, as well as submarine groups, squadrons and COMSUBLANT/COMSUBPAC headquarters staffs.

2102. OPTAR GRANTS. OPTAR grants for Repair Parts (RP), Other OPTAR (OO), Utilities, Repair of Other Vessels (ROV) and Commands and Staffs (C&S), will be provided to squadrons on a quarterly basis from COMSUBLANT/COMSUBPAC, as applicable based on Annual Financial Plans (AFP), prior year execution and available funding. COMSUBLANT segregates funding provided to operating units by RP/OO. COMSUBPAC does not. The ship's OPTAR may not be used for obligations that are properly chargeable to NAVSEA COSAL allotment funding, or Centrally Controlled Programs such as Operating Forces Support Equipment (OFSE) and Industrial Plant Equipment (IPE). The following sections list the fund codes available for COMSUBLANT/COMSUBPAC units and the appropriate uses of each.

2102.1. FUND CODE CROSS-REFERENCE TO OPTAR GRANTS. The following section provides a listing of fund codes and their applicability to OPTAR grants. Definitions of these fund codes can be found in reference (a), Table 13.

a. **Repair Parts**

- (1) Fund Code _B: NSA Non-Aviation Depot Level Repairables
- (2) Fund Code _R: Equipment Maintenance Related Material (EMRM) NSA Repair Parts
- (3) Fund Code _3: NSA Aviation Depot Level Repairables

b. **Other OPTAR**

- (1) Fund Code _C: Consumable NSA Material
- (2) Fund Code _D: Passenger Vehicle Rental
- (3) Fund Code _E: NSA Type Equipment/Equipage

(4) Fund Code _J: Automated Data Processing (ADP) and Automated Information Systems (AIS) Equipment

(5) Fund Code _K: Charter and Hire

(6) Fund Code _S: Communications

(7) Fund Code _U: Other Purchased Services

(8) Fund Code _V: Printing and Publications

(9) Fund Code _Y: ADP, AIS or IRM - Other than Equipment

(10) Fund Code _2: Hull and Structural Maintenance and Preservation

(11) Fund Code _6: Hazardous Waste/Material Disposal

(12) Fund Code _7: Medical/Dental Material

(13) Fund Code _8: Special Storage Household Goods

(14) Fund Code _9: Petroleum, Oil and Lubricants Other

c. **Utilities.** Fund Code _W: Purchased Utilities

d. **Repair of Other Vessels - ROV.** These fund codes are to be used only by tenders, TRIREFAC, NAVIMFAC PACNORWEST and NSSF when requisitioning material for use in intermediate maintenance actions.

(1) Fund Code _G: NSA Consumables/ROV

(2) Fund Code _H: NSA Repair Parts/ROV

(3) Fund Code _1: NSA Non-Aviation Depot Level Repairables

(4) Fund Code _0: NSA Aviation Depot Level Repairables

e. **Commands and Staffs.** Groups, squadrons, SUBLOGSUPPCEN, Bremerton, OPTESTSUPPUNIT TWO and TRIREFAC SUBLOGCEN traditionally will use the same fund codes as included in the "Other OPTAR" category, but because they are a "staff" vice "ship" their costs are classified as C&S. Staffs are authorized to use Fund Code _F: Civilian Personnel, only when authorized by the TYCOM who has provided the Staff with a Full-Time Equivalent (FTE) Workyears control.

f. **Unauthorized Fund Codes.** Unit OPTAR funds may be utilized for those fund codes which are identified for shipboard use in Table 13 of Appendix II, of reference (a) except as follows:

(1) **Public Works Operation.** Fund Code _X is not authorized for afloat units.

(2) **Temporary Additional Duty.** Fund Codes _M, _N and _Q shall not be charged against unit OPTAR funds. These fund codes are utilized on TAD orders in accordance with COMSUBLANT/COMSUBPACINST 1320 series.

(3) **Transportation of Things.** Fund Code _P includes transportation of second destination material and is not authorized; TAC codes should be used instead. See Section 6, Chapter 2.

(4) **Military Sealift Command (MSC) Charter.** Fund Code _4 includes the cost of charter of MSC ships and can only be used by the TYCOM and COMSUBDEVRON FIVE.

(5) **Combat Systems Readiness (CSR).** Fund Code 4A includes the cost of CSR weapon proficiency testing and can only be used by the TYCOM and COMSUBRON 17.

2102.2. FUND CODE DECISION TABLE. Before assigning a fund code based on the Fund Code Decision Table, ask the following questions:

- a. Is this part listed on an APL (except for organizational clothing, food service material, flags and pennants, etc. as discussed in paragraph 1202.1(a)).
- b. Is this part listed on a hardware related AEL? (e.g., flex hose, flex gasket, small valve).
- c. Is this part listed in a technical manual?
- d. Is this part listed on a manufacturer or shipyard drawing?
- e. Is this part being used to repair a piece of equipment, regardless of whether or not it is APL supported?
- f. Is this part being used in the repair of a piece of equipment? (e.g., solder)
- g. Does this part fall under the consumable repair part category? (see COMSUBLANT/COMSUBPACINST 4406.1E, paragraph 204.2)
- h. Is this part being used in or with the primary system (Q-COSAL)?
- i. If ordering a tool, can it be considered a special tool?

IF THE ANSWER TO ANY OF THESE QUESTIONS IS YES, THEN THE ITEM YOU ARE REQUISITIONING IS A REPAIR PART AND SHOULD BE PROCESSED AS SUCH.

IF THE ANSWER TO ALL THESE QUESTIONS IS NO, PROCEED TO THE FUND CODE DECISION TABLE THAT FOLLOWS to determine whether the fund code _C, _E, _Y, _2, or _9 applies.

Group/ Class	Description	Unit Price \$100 & Below	Unit Price Above \$100
1450	Guided Missile Handling & Svc Equipment	_C	_E
2020	Rigging & Rigging Gear	_2	_2
2040	Marine Hardware & Hull Items	_2	_2
2090	Miscellaneous Ship & Marine Equipment	_2	_2
3230	Tools & Attachments for Woodworking Machines	_2	_2
34__	Metal Working Machine Tools & Attachments	_2	_2
3940	Blocks, Tackle, Rigging & Slings	_2	_2
40__	Rope, Cable, Chain & Fitting	_2	_2
4020	Fiber Rope, Cordage & Twine	_C	_E
42__	Fire Fighting, Rescue & Safety Equipment	_C	_E
4510	Plumbing Fixtures & Accessories	_2	_2
47__	Pipe, Tubing, Hose, Fittings	_2	_2
4930	Lubrication & Fuel Dispensing Equipment	_2	_2
51__	Hand tools	_2	_2
52__	Measuring Tools	_2	_2
53__	Hardware & Abrasives	_2	_2
55__	Lumber Millwork, Plywood & Veneer	_2	_2
56__	Construction & Building Material	_2	_2
58__	Communication Detection & Coherent Radiation Equipment	_C	_E
59__	Electrical & Electronic Equipment Components	_2	_2
5965	Headsets, Handsets, Microphones & Speakers	_C	_E
61__	Electric Wire, Power & Distribution Equipment	_2	_2
6135	Batteries – Dry	_C	_E
62__	Lighting Fixtures	_2	_2
6230	Electric Portable & Hand Lighting	_C	_E
6240	Electric Lamps	_C	_C
6250	Lampholders & Starters	_C	_C
6260	Non-Electrical Lighting Fixtures	_C	_E
6320	Shipboard Alarm & Signal Systems	_2	_2
6350	Aircraft Alarm & Signal Tools & Systems	_2	_2
66__	Instruments & Lab Equipment	_C	_E
67__	Photographic Equipment & Supplies	_Y	_Y
68__	Chemical & Chemical Products	_C	_C

71__	Furniture	_C	_E
72__	Household/Commercial Furnishings/Appliances	_C	_E
7220	Floor Coverings	_2	_2
7230	Draperies, Awnings & Shades	_2	_2
73__	Food Preparation & Serving Equipment	_C	_E
74__	Office Machines, Visible Recording Equipment	_C	_E
75__	Office Supplies & Devices	_C	_E
79__	Cleaning Equipment & Supplies	_C	_E
80__	Brushes/Paint/Sealers/Adhesives	_2	_2
81__	Containers, Packing & Packing Supplies	_C	_C
83__	Textiles, Leather, Apparel, Shoes, Tents, Flags	_C	_C
84__	Clothing, Individual Equipment & Insignia	_C	_C
85__	Toiletries	_C	_C
9150	Oils & Grease	_9	_9
93__	Non-Metallic Fabricated Materials	_2	_2
9310	Paper & Paperboard	_C	_C
95__	Metal Bars Sheets & Shapes	_2	_2

2102.3. REPAIR OF OTHER VESSELS (ROV) FUND. Each submarine squadron to which an Intermediate Maintenance Activity (IMA) is assigned is issued funds to perform ROV work. Accounting of ROV funds will be in accordance with Chapter 3 of this section and reference (a).

a. **ROV Direct.** ROV funds are restricted to IMA work performed on commissioned ships, service craft, Commodore barges and tender small boats. The ROV function is initiated for an individual ship (including tenders) when that ship prepares and submits a work request package to the appropriate squadron commander. The work request is reviewed for feasibility of accomplishment, approval by the squadron commander and acceptance by the IMA that is to perform the work. The work should fall into one of the following categories:

- (1) D & F SHIPALTs.
- (2) A & Is for installed equipment.
- (3) Repair of installed equipment or components by the IMA.
- (4) Replacement of installed equipment or components beyond economical repair only when the repair is beyond the capability or labor capacity of tended ship's force.
- (5) Repair of portable equipment by the IMA.
- (6) Repair or replacement of installed equipment or components by ship's force under the direct technical supervision of the IMA on board the tended unit.
- (7) Manufacture of standard stock items needed for repairs in bonafide emergencies.

(8) To replace tended unit spares drawn by the IMA to perform approved work on the tended unit.

(9) Special tools, equipment, or consumables totally consumed in an approved job (e.g., steam generator inspections).

(10) Repair of component/equipment, for which an equivalent was drawn from tender/tended unit stock, with the ultimate purpose of returning the repaired unit to stock.

(11) Repair of service craft, Commodore's barge or tender small boats.

(12) Contractor services and materials to provide repairs when work to be performed are under the cognizance of the IMA.

b. Unauthorized Use of ROV (Direct)

(1) Spares/parts only work requests.

(2) Repair or replace work requests for Depot Level Repairables for which the IMA does not have the tools, test equipment or procedures to accomplish the requested repairs.

(3) Repairs or materials for ashore/non-afloat activities.

(4) To circumvent procurement procedures.

(5) To accomplish tender ship's force maintenance (use ROV-TAV instead).

(6) To provide tender engineering, communications, operations, etc., with ROV series numbers to order repair parts for tender ship's force maintenance even when the particular division may also have an IMA role.

c. **ROV Indirect (ROVI).** Whenever possible, ROV costs are to be identified to a specific benefiting unit, however, it is recognized that there are materials which are consumed by the Repair Department in the accomplishment of the ROV mission which cannot be so assigned. Such material may be charged to ROV funds as an indirect or overhead type of charge (ROVI). At no time should ROVI exceed 8-10% of IMA funds assigned. Listed below are the authorized uses of ROVI.

(1) The following authorized uses for ROVI apply to all IMA's (Tenders and SIMAs):

- (a) Bulk materials for more than one IMA job, that are normally low cost and normally large unit of issues (e.g., HD, MX, etc.). Examples: wire, pipe, cable, rivets, welding rod, etc.
- (b) Consumable supplies such as rags, abrasives, sanding wheel, etc., which are used in the repair mission by the repair department.

(c) Welder qualification supplies.

(2) The following are authorized ROVI costs for Tenders only. SIMAs should support these items out of their Operating Budget.

- (a) Special tools identified on Allowance Parts Lists (initial acquisition or replacement).
- (b) Routine or minor repairs to hand tools used in support of the IMA's mission.
- (c) Repair but not replacement of the IMA's industrial plant equipment.
- (d) To procure labor saving devices excluding OPN funded equipment that will result in immediate payback by virtue of IMA work accomplishment vice vendor or depot accomplishment.

d. **Unauthorized Uses of ROVI.** ROVI cannot be used to procure materials and/or services in support of the repair department, which are to be provided out of that department's OPTAR. Examples include:

- Vehicle support
- ADP and administrative support (see note below)
- Commercial technical library services
- Housekeeping supplies
- Special clothing and safety equipment
- Common use hand tools
- OBA canisters

NOTE: If a boat brings in a piece of ADP equipment which is broken and **BEYOND ECONOMICAL REPAIR** then the equipment must be returned to the boat for appropriate disposal and replaced by the boat. If the ADP equipment can be fixed by the IMA repair shop then appropriate spare parts in connection with the repair are considered an appropriate expense under ROV.

e. **Tender Availability (TAV).** Work done on the tender itself, as performed by the intermediate maintenance activity must be traceable to a work request authorized by an appropriate approved activity.

f. **ROV Work for non-supported units.** Usually the IMA performs work on units within the squadron, however the IMA can be called upon to repair units outside the squadron as capacity permits. Guidelines are as follows:

(1) **ROV WORK PERFORMED ON UNITS OUTSIDE THE SQUADRON BUT WITHIN THE TYCOM.** If the repair was planned in the squadron's Annual Financial Plan (AFP), COMSUBLANT/COMSUBPAC will provide the necessary funding within the squadron's quarterly OPTAR grant. If the repair was not planned in the squadron's AFP, contact the parent squadron of the ship to be repaired to negotiate the ROV funding to be transferred. The squadron

being tasked with the repair will send a formal request (info the parent squadron) to COMSUBLANT or COMSUBPAC, as applicable to request the fund transfer.

(2) WORK PERFORMED ON NAVAL UNITS OUTSIDE THE TYCOM. When ROV work is performed by COMSUBLANT/COMSUBPAC IMAs on a ship or activity outside the TYCOM chain of command, **NO** work can be started, or materials ordered until the IMA has received an ROV funding grant specific to the repairs, or has received authorization from the Force Comptroller that funds will be available to conduct the repair. The funding grant will normally be provided as a direct increase to the existing ROV funds if the repair is for a vessel within the same Fleet. When work is done outside the Fleet (i.e., work done by a SUBLANT tender for a SUBPAC submarine), the grant will normally be funded through a reimbursable order sent by the benefiting TYCOM. The parent TYCOM may elect to either provide a reimbursable OPTAR grant to the IMA or allow the IMA to initially use its direct IMA funding and initiate a job cost transfer to charge the reimbursable and credit the IMA's future SFOEDL. In each case, the IMA should communicate with TYCOM before the repair and work out the procedure to be followed.

(3) WORK PERFORMED ON DOMESTIC NON-NAVAL AND FOREIGN SHIPS. The COMSUBLANT/COMSUBPAC N4 division must approve repair work on domestic non-naval ships such as Coast Guard or MSC ships. If approved, contact COMSUBLANT or COMSUBPAC N413, as appropriate for funding guidance prior to the start of the repair. Funding guidance for repair work on foreign ship repairs is provided in paragraph 6707 - Supplies and Services Provided to Foreign Countries.

2103. REIMBURSABLE ORDERS (INCOMING). In the event a request for work or services is made to a COMSUBLANT/COMSUBPAC afloat unit by an activity outside the submarine force, funds will usually be provided by the outside activity in the form of a reimbursable work order (NAVCOMPT Form 2275). Within LANT/PACFLT, requests of this nature may only be accepted by operating budget holders (i.e., CINCLANTFLT for LANTFLT afloat activities; COMSUBPAC for PACFLT afloat activities; or any shore activities operating under reference (c) procedures). OPTAR holders shall forward all such reimbursable orders to CINCLANTFLT (Code N02F3)/COMSUBPAC (Code N41316), as applicable for approval and acceptance. Upon acceptance of the work, CINCLANTFLT/COMSUBPAC will issue a separate reimbursable OPTAR to the OPTAR holder. This OPTAR authorization will contain a unique two-digit code that must be used in the first two spaces of the requisition serial number, or the second and third spaces of the tango number in the case of travel orders. Fund code _A is always to be charged for reimbursable OPTAR obligations whether for travel, material, or services. Detailed instructions will be provided in the CINCLANTFLT/COMSUBPAC letter or message that grants the reimbursable OPTAR and also in reference (a), paragraph 4200, must be adhered to and are subject to audit review. Of particular importance:

a. The accounting data (provided in detailed instructions) must be consistently and correctly cited on funding documents. Use of a different UIC other than the one provided is not authorized.

b. The funding can only be used for the purpose stated; any deviations must be authorized by the funds grantor in a subsequent amendment.

c. BORs/TLs must be submitted as required by reference (a) and paragraphs 2302.1 and 2302.2.

d. Outstanding Travel Advances (OTAs) must be promptly liquidated. In the event that an outstanding advance is not liquidated the Comptroller may elect to deduct the amount owed the government from the individuals paycheck, military or civilian.

e. Every attempt must be made to close out the reimbursable OPTAR in a timely manner.

f. Notify TYCOM promptly of excess funds.

2104. RESTRICTION ON THE ISSUANCE OF NAVCOMPT 2275. Units of the operating forces (i.e., all COMSUBLANT/COMSUBPAC OPTAR holders) are precluded from issuing the NAVCOMPT 2275. If the OPTAR holder requires work or services from other naval activities they are authorized (in accordance with NAVCOMPT Manual 035404) to use the DD Form 1149 in lieu of the NAVCOMPT 2275.

2105. CENTRALLY MANAGED PROGRAMS. Certain operating requirements such as Charter & Hire in non-Navy ports, Combat Systems Readiness, Military Sealift Command, ORF (Official Representation Funds), fuel, etc., are funded and administered at the TYCOM, Fleet or higher level.

2105.1. TYCOM CENTRALLY MANAGED PROGRAMS

a. **Charter and Hire.** When in **non-Navy ports**, it is generally the responsibility of the ship to use its OPTAR to provide for charter and hire services. The only exception is that while SUBLANT units are visiting Port Canaveral, Florida, COMSUBLANT has provided a funding document to cover all charter and hire needs. Note: The CRAFT database contains historical foreign port costs for services OCONUS. See the NRCC Singapore/Naples websites.

(1) **Authorized Services.** The following services, procured from commercial and other non-Naval sources, are considered charter and hire and should cite fund code _K:

- (a) Charter and Hire of tugs and barges
- (b) Pilotage
- (c) Wharfage and dockage, including docking and undocking
- (d) Garbage removal
- (e) Rental costs of brows, including associated crane services

(f) Removal of oily waste, oil spills and sludge

(g) Tolls and related expenses for transit of the Suez, Panama and Cape Cod Canals and the St. Lawrence Seaway

(2) Prohibitions to Charging Charter and Hire Funds

(a) Commercial port services procured for a friendly man-of-war without reimbursement from the appropriate foreign government (refer to Section 6, paragraph 6707 "Services Provided to Foreign Governments").

(b) Commercial port services incurred at the place of overhaul or repair incident to the overhaul/repair or decommissioning of ships. Payments for such services will be charged against the funds financing the overhaul/repair/decommissioning work.

(c) Commercial port services incurred incident to the towing of inactivated hulls except when the tow is a target hull for use by LANTFLT/PACFLT. In all instances where it can be expected that commercial charter and hire costs will be incurred by either the towing ship or inactivated hull, accounting data to be charged in certifying the services for payment will be obtained from the activity requesting the tow prior to commencing towing operations.

(3) Payment. Whenever the ship's OPTAR is responsible for payment of charter and hire service, bills will be processed as any other purchase in accordance with reference (b), paragraph 4335/4336. Commanding Officers will ensure that every effort is made to pay all dealer's bills prior to departure from a port-of-call in accordance with these procedures or that an original DD 1155 and certified invoices are mailed to the appropriate paying activity for payment.

b. Utilities. COMSUBLANT reserves funding to provide augments to utility costs incurred for SUBLANT ships visiting non-CINCLANTFLT-hosted based. Utilities include fresh water; water not filtered or distilled on board; water purification charges for boiler feed water; compressed or high-pressure air furnished directly from source equipment, electric current, steam, hot water; costs associated with rental of diesel generators for shore power generation, sewage removal (does not include hoses, connectors, or replacements thereof), steam power and hydraulic power. These utility costs will be charged to fund code "CW." Contractual services specifically associated with the procurement of, or the on-and-off-loading of the aforementioned services, supplies, materials, etc., are paid using unit OPTAR (fund code "CU"). Note that oily waste is not considered a utility expense and should be funded with unit OPTAR funds using fund code "CK." Augment requests for utility funding may be submitted by the unit via the unit's chain of command to COMSUBLANT N4131. Requests must cite unit's name, port visited, dates of visit and costs associated with each type of service. A copy of the port visit report should also be included with the augment when available.

c. ESGN Inertial Measuring Units (IMUs). Because of their significant cost, funding for replacement of ESGN IMUs is issued by the TYCOM when a failure is confirmed not

repairable by FTSC personnel and a request is forwarded via the chain of command to the TYCOM. Requests should include the following information:

- (1) Name of submarine/hull number
- (2) Confirmation of failure by Fleet Technical Support Center (FTSC) technical representative
- (3) Serial Number of failed unit
- (4) Number of operating hours of failure unit. Note: If less than 500 hours, provide a copy of the Quality Deficiency Report (QDR).

d. **Suez Canal/Panama Canal Transits**. Again due to the significant cost and infrequent need, funding for Suez and Panama Canal Transits for SUBLANT/PAC units is issued by COMSUBLANT/COMSUBPAC when a transit is required. Requests must be forwarded by the unit, via their chain of command. Requests must indicate the expected date of passage, noting whether the direction is north-or-southbound. Each leg of the transit should be individually requested. Upon approval of Suez transits, COMSUBLANT/COMSUBPAC will send the accounting citation and funding direct to USDAO Cairo, with an information copy to the unit and parent squadron. Procedures for Panama Canal Transits are currently under revision. Contact your prospective TYCOM with any questions.

e. **Commercial Industrial Services (CIS)**. The Commercial Industrial Services (CIS) program is designed to accomplish essential fleet repairs that (1) tenders and Shore Intermediate Maintenance Activities (SIMAs) have the capability to accomplish but not the shop capacity due to demand overloads and (2) to reduce fleet working hours allowing a limited quantity of organizational level maintenance to be accomplished by commercial industrial activities. Work requests that require depot level maintenance will not be considered for accomplishment under the CIS program. Authorized CIS work categories are:

- (1) Exterior/Interior Hull Preservation and Painting
- (2) Compartment Preservation and Painting
- (3) Bilge/Void/Tank Cleaning, Preservation and Painting
- (4) Ventilation Duct/Cooling Coil/Precipitator Cleaning
- (5) Sanitary Drain Piping and Tank Flush and Cleaning
- (6) Deck Tile/Form ICA/Terrazzo Removal and Replacement
- (7) Lagging/Insulation Removal and Replacement

- (8) Condenser/Heat Exchanger Inspection and Cleaning
- (9) Gage/Tank Level Indicator (TLI) Testing/Calibration
- (10) Flange Shield Replacement
- (11) Compartment Air Testing and Repair
- (12) Organization Level Shipfitting Service
- (13) Submarine Topside Zinc Replacement

NOTE: For COMSUBLANT units, CIS funds are centrally managed by COMSUBLANT N40. For COMSUBPAC units, CIS funds are centrally managed by CINCPACFLT.

f. **Tenderless Refits.** In some cases, COMSUBLANT N40 will employ shipyard work force personnel to conduct LANTFLT ship repairs that are normally an intermediate maintenance responsibility. This provides a workload reduction for the IMA servicing that region, however the IMA will still be required to fund the cost of the materials used by the shipyard to complete the repair. Material costs will be funded using a DD Form 1149 and will cite the applicable ROV fund code. It is imperative that the provider of funds ensures the funding document to the shipyard is closed out promptly (within 30 days) after the repair is completed.

g. **Temporary Additional Duty (TAD) Travel.** Funds for the travel of personnel on training, official business and emergency leave/hospitalization are provided to and controlled by the group/squadron administration level. COMSUBLANT/COMSUBPACINST 1320.4 series pertains. Exceptions to this procedure are COMSUBPAC FBM crew rotation transportation funded by COMSUBGRU-9 and vehicle rental that is funded from the ship's OPTAR.

h. **Other Procurement, Navy (OPN).** Refer to Section 4.

i. **Overhaul and Restricted Availability/Technical Availability (ROH and RA/TA).** Budgeting and funding for regularly scheduled overhauls and scheduled and unscheduled RA/TAs in commercial and naval shipyards are considered depot maintenance and are managed at the TYCOM level by Code N40. This program includes depot maintenance funding for submarines, tenders and most categories of service craft. If in doubt as to whether depot maintenance for a selected service craft is funded by TYCOM/Code N4, request verification from N413/N40.

j. **Defense Courier Service (DCS).** In LANTFLT, DCS submits centralized, itemized bills to CINCLANTFLT, who deducts the applicable amount from COMSUBLANT's authorized funds to pay the bill. In order to minimize the impact on available dollars recommend all COMSUBLANT activities closely monitor use of courier services and request such service only when necessary.

2105.2. FLEET CENTRALLY MANAGED PROGRAMS

a. **Charter and Hire.** When in U.S. Navy ports hosted by a CINCLANTFLT or CINCPACFLT activity, ships receive charter and hire services at no cost to the ship's OPTAR since the host activity is mission funded to provide the service.

b. **Ship Fuel.** CINCLANTFLT/CINCPACFLT maintains a centrally managed operating budget to cover the cost of fuel for propulsion of active fleet ships and other afloat units .

(1) **Applicability.** This allotment can be used by all submarines/tenders and also by other units which have an assigned UIC prefixed with the service designator code "V" or "R", receive OPTARs under reference (a) procedures and report under the Navy Energy Usage Reporting System (NEURS). This includes the following service craft: ARDM 1/4; YTB 760/832; and AFDM 10. It cannot be used by service craft and other miscellaneous afloat units assigned to shore activities which hold an operating budget (OB); the OB will support these costs. It cannot be used to purchase fuel for miscellaneous afloat units (e.g., TWRs, LCMs and associated yard craft) assigned to afloat staff as well as fuel used for non-propulsion purposes; both are to be funded from the unit's OPTAR using fund code _9. Small boats (e.g., personnel boats, utility boats, motor launches) assigned to a parent ship are authorized to be included in the open allotment charges provided the parent ship meets the requirements listed above.

(2) **Items Covered.** This allotment covers the cost of fuel for propulsion of active fleet ships and other afloat units. This includes diesel fuel marine or other distillate fuel oil, or acceptable commercially procured substitutes, when used for ships' propulsion.

(3) **Accounting Data.** The following accounting data should be cited on purchases listed in paragraph (2) above when procured through Navy and non-Navy sources.

	<u>COMSUBLANT units</u>	<u>COMSUBPAC units</u>
Appn/Subhead:	17*1804.60BA	17*1804.70BA
Object class:	000	000
BCN:	00060	00070
Suballotment:	F	F
AAA:	060951	060957
Trans Type:	2D	2D
PAA:	V (Requisitioner UIC)	N (Requisitioner UIC)
Cost Code:	00/(Julian Date)(Serial)/39	00/(Julian Date)(Serial)/39

*Insert last digit of fiscal year current at date of purchase.

(4) Commercial purchases of ship's propulsion fuel only will be charged to the Navy Capital Working Fund (NCWF) vice the CINCLANTFLT/CINCPACFLT Centrally Managed Operating Budget using the following accounting data. Use of this accounting data is for the Navy Stock Fund to absorb price differences. CINCLANTFLT/CINCPACFLT will then be billed at the standard stock fund prices.

Appropriation/Subhead: 97X4930.NC1A
Object class: 000
Bureau Control Number: 38001
Sub-allotment: 0
Authorization Accounting Activity: 000367
Transaction Type Code: 7A
Property Accounting Activity: N00612
Cost Code: (a)/Ship's UIC/390000

(a) Cite "V" for LANTFLT ship; "R" for PACFLT ship

(5) **Reporting.** AGSS, AS and ASRs are required to report fuel financial transactions on a monthly basis into NEURs in accordance with CINCLANTFLT/CINCPACFLTINST 4100.3A. COMSUBPAC nuclear submarines will report fuel receipts for auxiliary consumption to CINCPACFLT on the last day of the month in which the fuel was received. Additionally, CINCPACFLT ships will provide an information copy of the appropriate public voucher, with substantiating documents to CINCPACFLT (N823), as occurring, for financial obligation purposes.

c. **Ship Utilities.** At CINCLANTFLT/CINCPACFLT-hosted bases, utilities are provided to ships at no charge. Utility services and products include shore power, potable water and CHT removal. If LANTFLT/PACFLT ships visit any of the activities listed below, CINCLANTFLT and/or CINCPACFLT will provide funds to the activity to support all ship utility needs. Although the unit may be required to submit a DD Form 1149 when requesting utilities from these activities, no accounting data, fund codes, etc. should be provided to the port and the unit's OPTAR should not be charged. Ships eligible to use this central allotment include submarines, tenders and certain service craft (as identified in paragraph 2105.2). Miscellaneous service craft such as TWRs, LCMs and associated yard craft are not eligible.

CINCLANTFLT ACTIVITIES

NAVSTA Norfolk
NAVSTA Jacksonville
SUBASE Kings Bay
SUBASE New London
WPNSTA Yorktown
WPNSTA Earle
NAVSTA Pascagoula
NAVSTA GMTO
NAVSTA Roosevelt Roads
NAVSTA Ingleside
NAVSUPPACT La Maddalena
Port Canaveral (PCAN)

CINCPACFLT ACTIVITIES

NAVSTA Pearl Harbor
NAVSTA San Diego
NAVBASE Bangor
NAVBASE San Diego
COMFLEACT Yokosuka
Naval Forces Marianas Support Guam

d. **Agriculture Inspections.** Navy units returning to the U.S. from overseas deployments receive U.S. Department of Agriculture (USDA) inspections. USDA does not charge for

inspections during normal working hours, but does charge for inspections required after normal working hours. Both CINCLANTFLT (Code N02F11) and CINCPACFLT (Code N821A) fund overtime costs via a work request to USDA, so individual payment by the unit is not required. Units provide only their UIC to the USDA inspector.

2105.3. HARDWARE SYSTEMS COMMAND CENTRALLY MANAGED PROGRAMS - COSAL. Frequently, new equipment is added to a ship between regularly scheduled overhauls. There are also times when an Inventory Control Point (ICP) may direct changes to Allowance Parts Lists (APLs). These and other actions often result in increased levels of repair parts support. Usually, these increases are chargeable to NAVSEA.

a. **New Equipment.** NAVSEAINST T9066-AA-MAN-010/OPN outlines eligibility and procedures for charging the NAVSEA COSAL allotment for repair parts required to support newly installed equipment for non-SUADPS platforms. The emphasis is placed on equipment installed within the preceding year. Consequently, it is imperative that the ship's supply officer be made aware of all equipment changes as they occur. To this end, ships shall establish internal procedures to ensure that new equipment installations (between regular overhauls) are reported routinely to the supply department. The supply officer shall ascertain whether the required repair parts support has been provided with the new equipment. If not, requisitions (HM&E and "Q" COSAL) shall be prepared for submission to the COSAL allotment point (normally FISC Puget Sound WA via TRIREFFAC (SLSC) Kings Bay) citing the COSAL allotment accounting data. Repair parts support for ORDALTs which are installed at times other than scheduled overhaul is also chargeable to the NAVSEA COSAL allotment in accordance with reference (b), paragraph 3298.

b. **Allowance Changes.** Allowance changes may also be received for support of existing equipment. NAVSEA policy is to fund COSAL and SPETERL (Ship's Portable Electrical/Electronic Test Equipment Requirement Lists) changes that occur between overhauls. (NAVSEA funding during overhaul remains unchanged). These changes are properly chargeable to the NAVSEA COSAL allotment when all of the following conditions apply:

(1) The deficiencies are non-APA expense type items (Navy Working Capital Fund, GSA, or DLA).

(2) The deficiencies resulted from allowance changes approved by CNO or a hardware systems command (e.g., NAVSEA). The changes are normally published by letter of transmittal from NAVICP or an activity such as NAVSEA.

(3) The changes are reflected in an APL, AEL, Allowance Appendix Page (AAP), or other allowance list (excludes general use consumables).

As in the case of new equipment support, except for test equipment, requisitions are submitted to FISC Puget Sound WA, via TRIREFFAC (SLSC) Kings Bay. Test equipment requisitions will be submitted in accordance with instructions included in the ship's SPETREL.

c. **Charges to S&E OPTAR Funds.** Deficiencies in expense type items are proper charges to OPTAR funds when any of the following conditions apply:

- (1) The deficiencies are for general use consumable material.
- (2) The deficiencies have resulted from draw down of stock; i.e., solely from usage and an allowance change is not involved.
- (3) TYCOM approved allowance change for a single unit only.

2106. SHIP COMMISSIONINGS/TRANSFERS/DECOMMISSIONINGS

a. **Commissioning.** A newly commissioned submarine/other ship will be financially transferred to its assigned squadron effective on the date of the commissioning. Prior to the commissioning date, no obligations (with the exception of TAD costs related to training travel and the purchase of equipment listed in section 6, chapter 6 of this instruction) can be lodged against the submarine/ship UIC. This is because until commissioned, the submarine/other ship is technically an asset of NAVSEA and any expenses belong to them. Secondly, neither COMSUBLANT nor COMSUBPAC receives funding for the ship from CINCLANTFLT or CINCPACFLT until it is commissioned. Also, although it may be constructed on the East Coast and be administratively assigned to a COMSUBLANT squadron, it may become a COMSUBPAC asset when commissioned. If so, the COMSUBLANT squadron is not authorized to expend funds on the submarine/other ship once commissioned, even though it may still act as the administrative squadron after commissioning. The cognizant COMSUBPAC squadron will arrange for an OPTAR grant to the submarine/other ship once commissioned. If the squadron is not certain of which TYCOM a new construction submarine/other ship will belong, contact either Comptroller department (Code N413) for assistance.

b. **Inter-Squadron Transfers.** The transfer of a ship from one squadron to another within the same TYCOM may require a transfer in OPTAR accounting responsibility between OPTAR holders. Squadrons, through their respective accounting activities, are to establish the necessary liaison to ensure an effective and timely transfer of financial and supply responsibilities. Whenever possible to minimize accounting workload, financial responsibility should be transferred at the beginning of a fiscal year (preferably) or at the beginning of a fiscal quarter. All fiscal records prior to the effective date of the transfer will remain with the losing squadron, unless both losing and gaining squadrons have the same accounting system (i.e., SNAP II) and a file transfer can be effected. In any case, COMSUBLANT/COMSUBPAC N413, as applicable must be notified of the change in order to effect the necessary financial adjustments. In the case of units changing squadrons for administrative purposes only (i.e., during overhaul/depot modernization periods, etc.), OPTAR accounting functions will remain with the original squadron.

c. **Inter-Fleet Transfers.** Infrequently, a submarine/other ship will transfer between COMSUBLANT/COMSUBPAC. Funding support technically transfers on the day the unit "chops" from CINCLANTFLT to CINCPACFLT (or visa-versa). The date of change in funding responsibility may be adjusted by COMSUBLANT/COMSUBPAC to coincide with the start of a

fiscal quarter or fiscal year. All inter-fleet transfers should be referred to COMSUBLANT or COMSUBPAC N413, who will determine the effective date of transfer and notify Defense Finance and Accounting Service (DFAS) of the Department of Defense Activity Address Code (DODAAC) billing/ mailing address change required by the transfer. Normally, the fiscal records prior to the transfer will remain with the losing squadron, but this too will be determined by COMSUBLANT/COMSUBPAC.

d. **Deactivation/Decommissioning**. The TYCOM who funded the unit during its operational years will continue to fund the nominal costs required by the unit during deactivation. This is true even if the unit is being deactivated on its opposite coast. For example, assume COMSUBLANT owned the USS Seahorse during its operational years. USS SEAHORSE then commences deactivation in Puget Sound Shipyard and as such falls under the administrative control of COMSUBPAC. COMSUBLANT remains responsible for funding USS SEAHORSE's OPTAR needs until decommissioned. USS SEAHORSE will also continue to use COMSUBLANT accounting data ("V" service designator code and first position "C" fund codes) during deactivation. Effective upon the decommissioning date, the submarine/other ship is no longer authorized to incur obligations against its own UIC. The squadron accounting activity that last serviced the decommissioned ship remains responsible for the rendering of accounting reports, processing of financial listings from DFAS. In general, are the point of contact for all questions concerning the financial records of the decommissioned submarine/ship until all records are finalized or the fiscal year lapses, whichever comes first.

2107. HOST/TENANT AGREEMENTS. Host/Tenant Agreements (alias Inter-Service Support Agreements, or ISSAs) are agreements for services provided by a host of a base, naval station, etc. for its tenants. It specifies whether those services will be provided at no cost or for a fee. In general, afloat activities (particularly ships on a LANT/PACFLT base) are provided most *recurring* base services at no cost. This is designed to minimize the exchange of funding (and workload to administer the funding documents) within a Fleet. Also, in the case of facility/pier maintenance, the base is mission funded for recurring maintenance because the base owns the facilities/piers and it is most efficient/effective for them to have the financial responsibility to provide for all necessary maintenance, rather than rely on happenstance reimbursement. This is not to say the afloat activity never pays the base for some services, such as renovations specifically required by the afloat activity, which can and should be charged to the afloat activity. But, since the majority of base services should be free, the afloat activity should be very careful in agreeing to pay for any service. See paragraph 3106 of this instruction for more information. To assist the afloat activity, COMSUBLANT/COMSUBPAC requires a copy of all Host/Tenant Agreements involving any COMSUBLANT/COMSUBPAC afloat activity to be forwarded to COMSUBLANT/COMSUBPAC for review PRIOR to signature and execution at the local level. COMSUBLANT afloat activities should forward Host/Tenant agreements to N413; COMSUBPAC afloat activities should forward all Host Tenant agreements to code N1. COMSUBLANT N413 will provide an endorsement signature and return ISSA to the afloat activity for signature.

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CHAPTER 2 ANNUAL FINANCIAL PLAN

2201. DEFINITION. An Annual Financial Plan (AFP) is a summarization of a reasonable estimate of Operation and Maintenance Navy (O&MN) funding required to accomplish a command's mission based on its operating environment and individual command needs.

2202. PURPOSE. Annual Financial Plans identify the time phased O&MN funding requirements of the unit/activity/squadron as well as provide a basis for the prioritization of requirements, the audit of high cost initiatives/sensitive procurements and the comparative analysis of operating costs. In addition, AFPs validate the adequacy of Force funding levels and highlight deficiencies for further research and documentation to justify funding supplemental requests to higher authority at Funding Status Review. Significant deficiencies will be identified as Program Objective Memorandum (POM) issues and/or Apportionment/Budget and/or midyear review unfunded requirements by COMSUBLANT/COMSUBPAC. Further, AFPs are the basis for the strategy selected to deal with funding shortfalls as well as "fair share" quarterly allocations of available Force funding. Finally, the composite of all command AFPs provides the data bank for the explanations (required by higher authority) of variances between Force obligations and COMSUBLANT/COMSUBPAC's official Navy Budget. This major effort (called Certified Obligations) must be strongly documented in order to deter higher authority from reducing operating funds for funding categories in which over or under execution is experienced. A positive side benefit of a well coordinated command AFP is that it generates involvement, communication and a sense of timing which facilitates command planning and mission accomplishment.

2203. CONCEPT OF DEVELOPMENT. An Annual Financial Plan is a dynamic plan and not a static report. As such, the AFP has a cycle of maturation. It is developed prior to the start of the fiscal year based on relatively firm first/second quarter, skeletonized third quarter and vague fourth quarter operating schedules. It is updated during the second quarter to reflect the best knowledge of third/fourth quarter requirements and to support COMSUBLANT/COMSUBPAC Funding Status Review. Further, the command's AFP may be updated at any time that the command determines a need to do so. The AFP on file at COMSUBLANT/COMSUBPAC is assumed to be current and an accurate reflection of the command's funding requirements. The command's AFP on file, its present year obligation rates, past fiscal year execution and available Force funding are the key determinants in quarterly funding allocations.

2204. DATA SOURCES FOR AFP DEVELOPMENT. A comprehensive AFP requires the collection and review of data from a variety of sources. Emphasis should be placed on operating schedules; planned/major IMA maintenance actions; data calls to supported commands to identify their needs, plans and priorities; site maintenance costs and emergent/major or new equipment maintenance/support problems. **IF USING HISTORICAL COSTS AS A BASE, DO NOT INFLATE REQUIREMENTS TO COMPENSATE FOR ANTICIPATED PRICE CHANGES—THIS WILL BE ADJUSTED BY THE TYCOM BASED ON DIRECTED INFLATION INDICIES. IN ADDITION, ENSURE THE COSTS OF IMUs PURCHASED IN THE PRIOR YEAR ARE DELETED FROM BASE REQUIREMENTS PROJECTED FOR THE UPCOMING YEAR. SINCE IMUs ARE CENTRALLY FUNDED BY THE**

TYCOM ON A CASE BY CASE BASIS, THEY NEED NOT BE PART OF YOUR IDENTIFIED REQUIREMENTS. A well-constructed AFP provides a blueprint for funds management and provides the basis for a stable financial operating environment.

a. **Operating Schedules.** Provide information on the unit's operating environment maintenance availability periods for calculation of refit days; major IMA maintenance actions; and planned port visits for identification of potential charter and hire (port service) costs. Operating schedules are key to the structure and time phasing of AFP requirements.

b. **Planned/Major IMA Maintenance Actions.** Depot/Selected Restricted Availabilities (SRA, DSRA), Depot Modernization Program (DMP), Extended Refit Periods (ERP), Steam Generator Inspections and other major maintenance actions are identified on the AFP by use of the special refit work (SRW) codes. Dollar values are listed separately for these maintenance actions. Through the judicious/disciplined use of refit numbers in SUADPS on submarine tenders and the TRIDENT OPTAR Module at TRIREFFAC Kings Bay, NAVIMFAC PACNORWEST and NSSF New London, a historical basis for costing special refit work items can be established by validating the costs reported in the SUADPS Report 46 or ROV Cost Analysis Report at TRIREFFAC Kings Bay, NAVIMFAC PACNORWEST and NSSF New London for the refit number established. SHIPALT/A&I requirements should be derived by reviewing the squadron's status from the TYCOM Alteration Management System (TAMS) and determining the alterations to be performed which have not been previously ordered by the squadron or the TYCOM. Direct liaison between the SHIPALT coordinator and COMSUBLANT Code N407/COMSUBPAC N40121/2 is highly recommended. After excluding the above costs and the refit days associated with SRA/ERP, average daily ROV cost is a simple mathematical computation based on historical costs and number of refit days.

c. **Data Calls to Supported Units.** The solicitation of AFP input from supported units, especially for Habitability/Major Purchases, is strongly recommended. The early identification of planned requirements can greatly facilitate funding and provide oversight of the viability of funds expenditure and the proper method of execution.

d. **Site Maintenance Costs.** Proper documentation of site or continuing services will provide a historical basis for evaluation of routine costs based on changes in the number/type of units assigned and overhaul/deployment schedules, etc. However, an incremental program of maintenance/preservation, overhaul and replacement for major site assets (from service craft to oil doughnuts), equipage and Industrial Plant Equipment (IPE) must exist if disruptive/emergent crisis requirements are to be minimized.

e. **Emergent/Major or New Equipment Maintenance/Support Problems.** The early identification and documentation of variants is essential to the "fair share" distribution of available Force funding as well as petitioning higher authority for additional funding.

2205. COSTING OUT AN AFP. Each AFP will be costed out based on the previous year's cost experience. COMSUBLANT/COMSUBPAC will adjust requirements for inflation based on Navy pricing policies. AFPs will be constructed as "reasonable" cost estimates of future

requirements and will not be costed out to support the "worst case" scenario. If a catastrophe occurs, COMSUBLANT/COMSUBPAC will find a means to resolve the emergent financial requirement.

2206. REQUIRED AFP SUBMISSIONS. COMSUBGRUs, COMSUBRON/SUBRON SUPPUNITS, NAVSUBSUPPFAC New London, SUBLOGSUPPCEN, Bremerton and TRIREFFAC SUBLOG DETs will submit an annual AFP to COMSUBLANT or COMSUBPAC, as applicable by 1 September of each year. COMSUBLANT OPTAR holders will update third and fourth quarters of the AFP by 1 February. The AFP/update will cover O&MN funding requirements for the command and its assigned units.

2207. AFP FORMAT AND INSTRUCTIONS. The AFP will be divided into three exhibits of funding categories, which will be subdivided by funding program if applicable. Exhibit 22-1 will address Commands and Staffs requirements; Exhibit 22-2 will address Supplies and Equipage (S&E) requirements; and Exhibit 22-3 will address Repair of Other Vessels (ROV) requirements. The heading of each exhibit will identify the category of funding, the fiscal year of the AFP, the date of preparation and the name of the command. Exhibit costs are to be rounded/recorded to the nearest one hundred dollars. For example, \$1,500 is \$1.5K. Costs are recorded on a quarterly basis and grand totals are cumulative costs for each exhibit by funding category and funding program by quarter. NOTE: Do not deviate from this format.

a. **Commands and Staffs (C&S).** C&S Exhibit 22-1 identifies the funding requirements for the operation, maintenance and administrative support of the Group, Squadron and/or support command. Costs centrally managed by the Group/Squadron for afloat units are reflected in this exhibit.

(1) **Staff Costs.** Consists of administrative costs, leases and special items.

(a) **Administrative Costs** (Caption A1). Identifies cumulative costs of operation less any leases of equipment. Included are consumables, repair parts and maintenance agreements.

(b) **Leases** (Caption A2). Identifies cumulative costs of the commercial contractual leases of all equipment. Maintenance agreements are not included in this caption but are either C&S Administrative Costs or centrally managed/continuing service costs. ADP equipment including word processing, require TYCOM approval prior to leasing.

(c) **Special Items** (Caption A3). Identifies by item and individual cost, all new commercial leases of equipment; any habitability project with an estimated cost of \$15,000 or more; any requirement for Consulting Services; any major commercial contractual procurements with a value of \$25,000 or more; any purchases of computer or word processing equipment with O&MN funds and civilian personnel requirements.

(2) **Centrally Managed Items.** Consists of leases, site/continuing services and other (Centrally Managed) requirements paid for by the squadron but benefit subordinate afloat units.

Each item listed will subsequently be "B" summarized to the benefiting or representative afloat unit.

(a) Leases (Captions B1 & B2). Identifies cumulative costs of the commercial contractual lease of all equipment subdivided between submarines (B1) and surface support ships (B2). These captions are cumulative captions. Do not enter lease costs by hull number. Maintenance agreements are not included in this caption and are either C&S administrative costs and/or centrally managed/continuing service costs.

(b) Site or Continuing Services (Caption B3). Identifies each site/continuing services managed by the Group/Squadron or Support Command for afloat units. Subparagraph items listed under Caption B3 are examples of potential items but do not represent an all-inclusive listing of site/continuing services.

(c) Other Requirements (Caption B4). Identifies other centrally managed requirements exclusive of site/continuing services. Included are slot buoys, TYCOM authorized spares kits and non-investment equipment acquisitions (under the investment threshold) for such items as portable radars, walkie-talkies, etc.

b. **Supplies and Equipage (S&E)**. S&E Exhibit 22-2 identifies the overall funding requirements for the operation, maintenance and administrative support of afloat (Organizational (O) Level) units. These requirements are subdivided into Repair Parts (RP) and Other OPTAR. Finally, costs centrally managed for afloat units by the tender are reflected in this exhibit. These centrally managed costs are identified by UIC of the submarine tender as the requisitioner, however the support item is for an afloat unit for which the cost is subsequently "B" summarized to the benefiting or representative afloat unit.

(1) Operating Costs. (All A Captions). Identifies by hull, Repair Part and Other OPTAR costs. Excludes all leases; any new commercial leases of equipment; any habitability project with an estimated cost of \$15,000 or more for submarines/minor support ships and \$25,000 or more for submarine tenders; any requirement for Consulting Services; any major non-repair part commercial contractual procurement with a value of \$25,000 or more; ILO/ILR support services; ILO/ILR Repair Part/Operating Space Item TYCOM funded deficiencies; any purchases of computer or word processing equipment with O&MN funds; and centrally managed requirements identified in Exhibit 22-1 or in Caption B4 of this exhibit. In addition to the RP/OO estimated costs, the primary OPERATING ENVIRONMENT (OE) for each unit is listed under the OE column. A second OE code may be used to identify a major change in unit employment during the quarter. OE codes are:

- 1 – Local Operations
- 2 – Pre-Overseas Movement (POM/SSBN REFIT)
- 3 – Selected Restricted Availability (SRA)/Extended Refit Period (ERP)
- 4 - Deployed
- 5 – Quarter Before Overhaul
- 6 - Overhaul

7 – Quarter After Overhaul

OE codes are essential for prioritization of funding requirements and comparability analysis of operating costs.

(2) Special Items. Consists of Habitability/Procurements, Leases and Site or Continuing Services.

(a) Habitability/Procurements (Caption B1). Identifies individual requirements such as any new commercial leases of equipment; any habitability project with an estimated cost of \$15,000 or more for submarines/minor support ships and \$25,000 or more for submarine tenders; any major (non-repair part) commercial contractual procurement with a value of \$25,000 or more; ILO/ILR support services, any O&MN purchases of computer or word processing equipment and Consulting Services. Plans for major submarine tender and submarine habitability upgrades in storerooms, food service, ship store/services messing, berthing and stateroom spaces will be reviewed with COMSUBLANT/COMSUBPAC N41, as applicable, prior to initiation. Purchases which require higher or technical authority approval will not be funded until the authority to procure has been granted.

(b) Leases (Caption B2 & B3). Identifies cumulative costs of the commercial contractual lease of all equipment subdivided between submarines (B2) and surface support ships (B3). These captions are cumulative captions. Do not enter lease costs by hull number. Maintenance agreements are not included in this caption and are either centrally managed/continuing services or part of operating costs under Other OPTAR.

(c) Site or Continuing Services (Caption B4). Identifies each site/continuing service managed by the submarine tender for afloat units. Subparagraph items listed under Caption B4 are examples of potential items but do not represent an all-inclusive listing of Site/Continuing Services. Each item listed will subsequently be "B" summarized to the benefiting or representative afloat unit. In addition, any other submarine tender centrally managed items may be added under this caption as subparagraph items.

c. Repair of Vessels (ROV). ROV Exhibit 22-3 identifies the funding requirements related to authorized I-level corrective/preventive maintenance on designated units and their equipment. Included are indirect material/consumable requirements not directly chargeable to an active work request and I-level maintenance on the submarine tender.

(1) IMA Repair Costs (All Caption A). Identifies by hull all direct/indirect I-level repair related costs. These costs are subdivided by normal availabilities for which the ESTIMATED MATERIAL COST (EMC) is equal to the scheduled REFIT DAYS (RD) multiplied by average daily ROV cost. SPECIAL REFIT WORK (SRW) identifies major scheduled refit work for which a historical/high cost of I-level maintenance is known. The SRW codes are:

1 – Extended Refit Period (ERP)/Selected Restricted Availability (SRA)

- 2 – Steam Generator Inspection
- 3 – Oxygen Generator Upgrade
- 4 – Resin Discharge
- 5 - Other (Specify)

The EMC of SRW costs would adversely distort average daily ROV costs if included in same. Therefore, the EMC of SRW is considered separately. Accordingly, when a SRW code (1) is listed, the RD/EMC columns will only reflect the RD/EMC before or after the ERP/SRA accomplished during the quarter in order to prevent duplication of funding. IMA Repair Cost specifically excludes any leases; any habitability project with an estimated cost of \$15,000 or more for submarines/minor support ships and \$25,000 or more for submarine tenders; any requirement for Consulting Services; and any Restricted or Technical Availabilities (RA/TA) managed by COMSUBLANT/COMSUBPAC N4. Note: Direct Fleet Support/Contractor Engineering Technical Services (DFS/CETS) support may never be funded with afloat funding.

(2) IMA Special Items. Consists of Habitability/ Procurements and SHIPALTS/A&Is.

(a) Habitability/Procurements (Caption B1). Identifies individual requirements such as any new commercial leases of equipment; any habitability project with an estimated cost of \$15,000 or more for submarines/minor support ships and \$25,000 or more for submarine tenders; any major (non-repair part) commercial contractual procurement with a value of \$25,000 or more; ILO/ILR support services; any O&MN purchases of computer or word processing equipment and Consulting Services (directly related to the repair operation). Plans for major submarine tender and submarine habitability upgrades in storerooms, food service, ship store/services messing, berthing and stateroom spaces will be reviewed with COMSUBLANT N41/COMSUBPAC N41, as applicable, prior to initiation. Purchases requiring higher or technical authority approval will not be funded until the authority to procure has been granted.

(b) Ship Alterations (SHIPALTS)/TYCOM Alteration and Improvements (A&I) (Caption B2). Identifies the cumulative dollar value of material requirements for SHIPALTS/A&Is authorized for I-level material ordering and work accomplishment.

EXHIBIT 22-1
COMMANDS AND STAFFS
FYXX ANNUAL FINANCIAL PLAN
(\$000)

COMMAND: NNNNNNNNNNNNNNNN

DATE: YYMMDD

1ST QTR 2ND QTR 3RD QTR 4TH QTR

A. STAFF COSTS:

Administrative	XXX	XXX	XXX	XXX
Leases	XXX	XXX	XXX	XXX
Special Items:				
Xerox 2830	XXX	-	-	-
Copier (2)				
Furniture Replacement	-	XXX	XXX	-
Filing Cabinets	XXX	-	-	
Office Renovation	XXX	XXX	XXX	-
TOTAL STAFF COST	XXX	XXX	XXX	XXX

B. CENTRALLY MANAGED ITEMS (To be B-summarized to benefiting UIC):

Leases (SSBNs/SSNs)	XXX	XXX	XXX	XXX
Leases (Support Ships)	XXX	XXX	XXX	XXX
Site or Continuing Services: (List each)				
Telephone	XXX	XXX	XXX	XXX
Garbage Removal	XXX	XXX	XXX	XXX
Crane Service	XXX	XXX	XXX	XXX
Hazardous Waste Disposal	XXX	XXX	XXX	XXX
Maintenance Agreements	XXX	XXX	XXX	XXX
Other Requirements: (List each)				
a. Slot Buoys (40)	XXX	XXX	XXX	XXX
b. Portable Radars (6)	-	XXX	-	-
TOTAL C/MGD ITEMS	XXX	XXX	XXX	XXX

C. GRAND TOTAL	XXX	XXX	XXX	XXX
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EXHIBIT 22-2
SUPPLIES AND EQUIPAGE
FYXX ANNUAL FINANCIAL PLAN
(\$000)

COMMAND: NNNNNNNNNNNNNNNN

DATE: YYMMDD

A. OPERATING COSTS:

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
UNIT/ HULL NO.	OE/RP/OO	OE/RP/OO	OE/RP/OO	OE/RP/OO
SSBN/SSN XXX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
SSBN/SSN XXX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
SSBN/SSN XXX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
SSBN/SSN XXX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
AS XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
ARDM X	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
TWR XXX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX

B. SPECIAL ITEMS (in addition to above operating costs):

Habitability/Procurements (list each)	XX/XX	XX/XX	XX/XX	XX/XX
Leases (SSBNs/SSNs)	XX/XX	XX/XX	XX/XX	XX/XX
Leases (Support Ships)	XX/XX	XX/XX	XX/XX	XX/XX
Site/Continuing Services*:				
Garbage Removal	-/XX	-/XX	-/XX	-/XX
Telephones	-/XX	-/XX	-/XX	-/XX
HWaste Disposal	-/XX	-/XX	-/XX	-/XX
Conservancy Fees	-/XX	-/XX	-/XX	-/XX
Transportation	-/XX	-/XX	-/XX	-/XX
Maintenance Agreements	<u>-/XX</u>	<u>-/XX</u>	<u>-/XX</u>	<u>-/XX</u>

C. GRAND TOTAL	XX/XX	XX/XX	XX/XX	XX/XX
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*Use only when centrally managed by the tender for SQUADRON UNITS and when not included in EXHIBIT 22-1.

NOTE: Multiple OE codes may be used for the same quarter to show a major change in unit employment.

EXHIBIT 22-3
REPAIR OF VESSELS (ROV)
FYXX ANNUAL FINANCIAL PLAN
(\$000)

COMMAND: NNNNNNNNNNNNNNNNN

DATE: YYMMDD

A. IMA REPAIR COSTS:

	1ST QTR	2ND QTR	3RD QTR	4TH QTR
UNIT/ HULL NO.	RD/EMC SRW/EMC	RD/EMC SRW/EMC	RD/EMC SRW/EMC	RD/EMC SRW/EMC
SSBN/SSN	XX/XXX	XX/XXX XXX/XXX	XX/XXX	XX/XXX
SSBN/SSN	XX/XXX	XX/XXX	XX/XXX	XX/XXX XXX/XXX
SSBN/SSN	XX/XXX	XXX/XXX	XX/XXX	XX/XXX XXX/XXX
SSBN/SSN	XX/XXX	XX/XXX	XX/XXX XXX/XXX	XX/XXX
SSBN/SSN	XX/XXX	XX/XXX XXX/XXX	XX/XXX	XX/XXX
AS	XX/XXX	XX/XXX	XX/XXX	XX/XXX XXX/XXX
ARDM	XX/XXX XXX/XXX	XX/XXX	XX/XXX	XX/XXX
TWR	XX/XXX	XX/XXX	XX/XXX XXX/XXX	XX/XXX

B. IMA SPECIAL ITEMS:

Habitability/Procurements (list each)	XXX	XXX	XXX	XXX
SHIPALTS	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

C. GRAND TOTAL	XXX	XXX	XXX	XXX
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CHAPTER 3 OPTAR/SPECIAL ACCOUNTING PROCEDURES

2301. OPTAR RECORDKEEPING. It is the policy of COMSUBLANT/COMSUBPAC that all subordinate afloat units maintain OPTAR records on a standard Navy OPTAR recordkeeping software, such as SNAP/MicroSNAP. It is further required that subordinate afloat units maintain up to date stock pricing by installing all issued revisions to FEDLOG. Squadrons are tasked to ensure subordinate units follow this policy. A separate log will be maintained for expenditures and non-chargeable publications and forms. The serial numbers will be assigned as per COMSUBLANT/COMSUBPAC 4406.1E para 608.

2301.1. RECONCILIATION. When the official accounting records are maintained by the squadron accounting activity it is mandatory that monthly reconciliation be conducted when in homeport. Each unit should also reconcile just prior to and immediately after deployment. Video-teleconferencing (VTC) reconciliations are scheduled monthly for PAC units with FISC Puget Sound accounting personnel. When inport all effort should be made to get on the schedule.

2302. FINANCIAL REPORTS REQUIRED FROM THE OPTAR HOLDER. The essence of effective reporting procedures is accuracy and timeliness. This is also the key to minimizing SFOEDL difference charges and reducing suspended vendor payments and unmatched expenditure conditions. Unfortunately, our batch obligation process to STARS stalls obligation timeliness, a problem that is further impacted by days underway, SNAP downtime and communication inadequacies/transmission problems. When expenditures and obligation adjustments come in faster than obligations, suspensions and charges can occur. This causes a myriad of problems, including the distortion of financial records and loss of financial flexibility. The TYCOM has endeavored to make the financial process as simple and painless as possible for the unit and as such required only a minimal number of reports requiring little time each month. However, the OPTAR holder plays a key role in the financial health of his/her activity and is required to submit reports in a timely and accurate manner.

2302.1. OPTAR DOCUMENT TRANSMITTAL REPORT (NC 2156)

a. For COMSUBLANT units, obligation transmittals will be forwarded no less than three times per month (5th, 15th and 25th). For COMSUBPAC units, units are required to submit TL's no less frequently than every 10 days and no more often than once a day. Individual COMSUBPAC squadrons will provide guidance on preferred frequency within these limits. For deployed units, transmittals will be sent as soon as unit returns to port (i.e., any port – not just homeport). Transmittals will be sent only when there are obligations to transmit – no “zero” obligation transmittals are required. Obligation transmittals will continue to be submitted, as needed through the lapsing of the appropriation (i.e., 72nd month).

b. All obligation transmittals will be forwarded directly from the unit to Defense Mega Center (DMC) via the TL forwarding process in SALTS. It is the responsibility of the unit to ensure the TL is accepted into the SALTS process. For COMSUBLANT units, a copy of the TL will be sent via SALTS to TRF Kings Bay. TRF Kings Bay will track all TLs issued by supported

units to ensure they're successfully transmitted from SALTS into STARS. For COMSUBPAC units, copies of TLs will be forwarded to TRF Bangor via SALTS.

c. Interim obligations are not to be created merely for the purpose of meeting expected obligation rates. Interim obligations are only allowed for valid/documented reasons, to include anticipated operating costs for the period from the financial cut-off date to the last day of the month being reported. Interim obligations are NOT necessary to balance to "estimated" BOR values. It is recognized that estimated BORs will not balance to TL values and this situation will be corrected by the follow-on "corrected" BOR. Interim obligations included in obligation transmittals must be controlled carefully and must be reversed at the beginning of the next month.

2302.2. BUDGET OPTAR REPORT (BOR) (NC 2157)

a. The BOR will be submitted in accordance with reference (a) except as modified in this section. COMSUBLANT activities will submit BORs via SALTS directly from the unit to Fleet Financial Support Activity (FFSF), with a copy to COMSUBLANT Code N4131B, parent squadron, TRF Kings Bay (if they are the squadron accounting activity) and CINCLANTFLT N02F. For COMSUBPAC activities BORS will be submitted directly to FISC Puget Sound via SALTS with a copy to the parent squadron and COMSUBPAC (Code 413).

b. BORs must arrive no later than the first working day following the month being reported. Late BORs are not acceptable. If system problems prevent the timely submission of a system-generated BOR, the unit must submit a manual estimated BOR to arrive by the required due date. If the ship is deployed and unable to transmit a BOR by the required due date, the ship's squadron is tasked to submit an estimated BOR (marked as such) on the ship's behalf to arrive by the required due date. The ship should submit a "corrected" BOR as soon as it returns to port.

c. To avoid out-of-balance BORs, ensure the total of column 22 from the previous month plus the sum of the current month's TLs equals the total of the current month column 22. Further ensure all SFOEDL differences are posted and up to date, prior to running the BOR.

d. BORs are acceptable in various mediums. BORs produced by SNAP are easiest (selecting the "message" report format) and can be sent via SALTS or fax, to arrive by the required due date. BORs can also be submitted in message format.

e. BORs will be submitted monthly for the first 18 months of the appropriation. BORs will continue to be submitted during the 19th through the 72nd month life cycle of the appropriation *only* when a change in gross obligations (column 22) occurs during the month.

f. For COMSUBLANT activities: Squadrons will ensure that a recap of the total squadron grants, obligations and balances is provided for each fiscal year reported. It is not acceptable to summarize a RP & 00 status as S&E. Report each status individually, with a grand total summary.

g. It is never acceptable to exceed OPTAR grants provided by TYCOM. BOR spending which results in overspending of OPTAR grants should be verbally communicated to the Force Comptroller and fully explained in the squadron recap letter (for COMSUBLANT units) or remarks section of the BOR (for COMSUBPAC units). Immediate and aggressive steps must be identified and taken to correct the problem.

h. Ensure obligations reported (whether actual or estimated) are an accurate reflection of your financial liabilities. Excess funds should be returned to TYCOM as soon as discovered. Execution rates are reviewed **monthly** at COMSUBLANT/COMSUBPAC and CINCLANTFLT/CINCPACFLT.

2302.3. WEEKLY FINANCIAL REPORT. A Weekly Financial Report in the format of Exhibit 23-1 will be submitted by the submarine/support ship to the Squadron Supply Officer each Monday showing the prior week's expenditures for all units in homeport. Deployed units will submit the report in message format as conditions permit.

2302.4. SITUATION REPORTS. All COMSUBLANT Group/Squadron OPTAR holders are required to report unfunded requirements, i.e., items they were not able to procure due to an insufficient grant for themselves and supported units. SITREPS are due to COMSUBLANT N413 quarterly. The 1st quarter SITREP is due 10 December; 2nd is due 10 March; 3rd is due 10 June; 4th is due 1 September. SITREPs will be used to track funding "hardspots" and allocate OPTAR augments should additional funds become available. Report by OPTAR category such as Repair Parts, Other OPTAR, etc. Each subsequent SITREP is cumulative and supersedes the previous report.

2303. ACCOUNTING REPORTS PROVIDED TO THE OPTAR HOLDER

2303.1. SUMMARY FILLED ORDER/EXPENDITURE DIFFERENCE LISTING (SFOEDL)

a. **Periodicity/Content.** The SFOEDL is produced by STARS. For COMSUBLANT units, the SFOEDL is forwarded by FFSF to the squadron/group accounting activity (refer to paragraph 1302.1 for a complete list). For most COMSUBLANT units, the squadron/group accounting activity is TRIREFAC Kings Bay. For COMSUBPAC units, FISC Puget Sound receives and processes the SFOEDL for most all COMSUBPAC units. Any COMSUBLANT or COMSUBPAC unit, however, can access his/her SFOEDL via the internet at location: <ftp://saltsftp@163.12.6.70/pub/stars>. Use of the location will require the user to obtain a password from the SALTS helpdesk (phone number 1-215-697-1112). The SFOEDL is a listing that itemizes expenditures that differ from the value of the obligation established for a particular requisition. Included also will be unmatched expenditures for which no obligation could be located, obligation adjustments required by SPS (formerly APADE)/PENDIPAY and administrative cancellations (ADCANCs).

b. **Receipt.** Where TRF Kings Bay or FISC Puget Sound is the accounting activity for the squadron, TRF Kings Bay/FISC Puget Sound receives and processes the SFOEDLs for its

serviced activities. TRF Kings Bay/FISC Puget Sound will notify the serviced activity (via naval message) by the 15th of the month following the month being reported of the value of SFOEDL differences. The unit should post these differences to SNAP records immediately. Units are encouraged to discuss questionable charges with TRF Kings Bay/FISC Puget Sound. For all other subordinates for whom TRF Kings Bay/FISC Puget Sound is not the accounting activity, ensure all monthly SFOEDLs are received and posted. Do not assume that if you receive no SFOEDLs that you have none. Each month will be accounted for and you will get a SFOEDL even if there are zero transactions on it. Note that SFOEDL differences must be posted as received, even if the differences are erroneous and/or if processing will not occur promptly. Do not post from the "FYTD Cumulative Differences by Fund Code" section of the SFOEDL. This is provided for information only, to aid the OPTAR holder in ensuring all expenditure differences from all previous and current SFOEDLs have been posted correctly to the OPTAR log.

c. **Processing.** The main idea in processing the SFOEDL is to ensure that the differences charged to a unit's OPTAR record are correct and fair. Each transaction should be reviewed and all erroneous differences promptly challenged to FFSF (for COMSUBLANT units) or DFAS-OPLOC (for FISC Puget Sound) in accordance with reference (a) to obtain credit on a future SFOEDL. All SFOEDL unmatched expenditures will be annotated in the remarks section with an explanation as to why the obligation is unmatched. Note that ADCANCs that result in a credit on the SFOEDL are actions that the OPTAR holder requested on a previous UOL and as such are not usually challenged. However, ADCANC *charges* on the SFOEDL usually represent cancellations the OPTAR holder requested on a previous transmittal (NAVCOMPT Form 2156), for which there was no longer a matching unfilled order to cancel in STARS. These particular adjustments should be carefully researched—they may indicate a missing TL in STARS. For challenges with a value of \$5,000 or greater, a message will be sent to FFSF/FISC Puget Sound (as applicable) info COMSUBLANT/COMSUBPAC N413 (as applicable) indicating all challenge data and pertinent information. After 60 days from submission and until acknowledged by FFSF/FISC Puget Sound, the ship will submit monthly follow-ups for all SFOEDL challenges over \$5,000. Challenges for carcass charges will be submitted, in BK2 format to NAVICP vice FFSF/FISC Puget Sound to obtain credit on a future SFOEDL.

2303.2. UNFILLED ORDER LISTING (UOL). (COMSUBLANT only, COMSUBPAC units do not process or post UOL charges to the OPTAR until instructed by FISC Puget Sound). This listing is produced by STARS and forwarded monthly (except for the first quarter of the fiscal year) through the 15th month and quarterly thereafter through the 72nd month by FFSF to the OPTAR accounting activity. The UOL lists those obligations for which no expenditures have been processed. This listing should be promptly processed in accordance with reference (a), as modified in this paragraph. Each transaction must be carefully reviewed to ascertain that outstanding requisitions exist. If the supply action for the requisition has been confirmed to be cancelled, then promptly post the cancellation status in SNAP or other applicable system thus cancelling the due-in requirement and generating a cancellation on the next financial transmittal. If the material is no longer required, then request cancellation action in accordance with reference (b), but do not cancel the requisition in SNAP/other applicable system until positive cancellation status has been received from the procurement source. If local records indicate a *recent* receipt, then the unfilled order should be retained awaiting expenditure. If local records indicate *aged*

receipt, it is likely that the charge may have been lodged on a previous SFOEDL against the OPTAR holder as an unmatched expenditure (perhaps as a transposed number). Research for this condition and if it is the cause for the unfilled order remaining, than an ADCANC may be requested. In some cases, unfilled orders remaining for aged receipts indicate that the expenditure was either threshold charged or lost in the system. Reference (a) provides criteria to allow ADCANC requests in these cases – however, COMSUBLANT/COMSUBPAC modifies this instruction as follows: in selecting unfilled orders for ADCANC procedures, COMSUBLANT ships may request ADCANCs when material has been received for 180 days as the cut-off vice 60 days as provided in reference (a). COMSUBPAC ships should not process current year UOLs; and use 180 days as the cut-off vice 60 days as provided in reference (a) for reviewing all prior year UOLs.

2304. PRIOR YEAR FUNDS MANAGEMENT PROCEDURES. OPTAR holders are responsible for the funding status of their OPTAR grant for the current and five prior fiscal years. To provide visibility and encourage effective management of the five prior year funds, OPTAR holders will:

- a. COMSUBLANT Squadron/Squadron Support Units only will provide a BOR recap.
- b. COMSUBLANT activities only, provide an explanation when the Grand Total for a prior year is a negative figure and indicate when the overage is expected to be resolved. In particular, when the overage is caused by a DLR carcass charge, indicate the UIC, fund code, amount and date of the BK3. If the overage is caused by underestimating or omitting an obligation and relief is not expected, the OPTAR holder should conduct a Material Obligation Validation (MOV) to clear invalid obligations or should review the UOL to process offsetting debit entries.
- c. Ensure all applicable SFOEDL expenditure differences are posted to the BOR and processed.

2305. YEAR-END CLOSING PROCEDURES. The following guidance is provided to aid in the orderly year-end closeout of financial records.

- a. **Budget OPTAR Report (BOR).** Ensure that a financial cut-off date is established that will ensure receipt of your BOR by FFSF/FISC Puget Sound (as applicable) no later than the first working day of the new fiscal year.

- b. **Obligations**

- (1) Ensure obligations reported in your BOR are an accurate reflection of your financial liabilities. September obligations should be 100% in each OPTAR category. This assumes excess funds have previously been returned.

- (2) Ensure the September BOR reflects expenditure differences through the August SFOEDL.

(3) Do not create interim obligations without valid reasons/documentation. After submitting the 30 SEPTEMBER BOR, reconcile interim and actual obligations expeditiously. This substitution of actual for interim obligations should not cause a significant change in OPTAR balances.

(4) Squadron Supply Officers should contact all units in overhaul, on deployment to ensure that all obligations will be included in monthly BORs, particularly 30 September.

c. **Spending**

(1) Spend OPTAR grants to zero. Do not hold any unobligated reserves.

(2) Ensure that 100 percent of authorized repair parts and consumable endurance levels are on hand or on order with valid supply status.

(3) Review funding status frequently and notify COMSUBLANT/COMSUBPAC N413, as applicable of any excess funds. Excess funds will be redistributed to maximize benefit to the Force.

(4) For COMSUBLANT activities: before executing final update action which generates 30 September BOR, notify COMSUBLANT N4131B by phone of recap amounts.

(5) Do not suppress any valid current fiscal year obligations for rollover into the new fiscal year. If additional funding is required, notify COMSUBLANT/COMSUBPAC, as applicable by phone. Prepare requisitions for submission in advance of receipt of funding. Submit requisitions upon receipt of funding.

2306. COST TRANSFERS

a. **Cost Transfers Outside the TYCOM.** These cost transfers under the previous accounting system (FRAM) were referred to as A-Summaries. A-Summaries are not accommodated under STARS. Instead, reimbursable orders will have to be received by TYCOM on the behalf of the work provider before work or services to activities outside the TYCOM can be initiated. If the TYCOM decides to issue a follow-on reimbursable OPTAR grant to the unit, then subsequent cost transfers are not necessary. Units will simply charge the reimbursable order directly for all costs incurred in the work effort. If the TYCOM elects to retain the reimbursable order in house, they will instruct the unit to absorb the cost of the repair/service out of its OPTAR grant initially, report the cost to the TYCOM and then TYCOM will effect the necessary cost transfer. The cost transfer will result in a credit to the unit's next SFOEDL for the value of the repair.

b. **Cost Transfers Within the TYCOM.** B-Summaries (for SAC 207 activities this is RPT 08) are used to effect statistical accounting adjustments (non-chargeable) within the budget activities of a TYCOM. This includes transfers from tenders to other squadron supported units for centrally managed requirements. It also includes work done by a tender/SIMA for other units

within the same fleet, for which the TYCOM previously received additional funds. The B-Summary does not provide additional funds to the issuer, however, it does adjust the accounting reports to reflect more accurately the cost of maintaining each individual unit. This is particularly important since the TYCOM relies on its adjusted accounting reports to identify the cost of particular UICs, hull types, squadrons, etc.. B Summaries are required whenever one UIC spends funding under its UIC, but the part/equipment/service is for the direct benefit of another UIC. B-Summaries should be processed in accordance with reference (a) and submitted to FFSF/FISC Puget Sound (as applicable), copy to applicable TYCOM on no less than a monthly basis.

2307. REQUIREMENT FOR ADDITIONAL FUNDS

a. OPTAR holders are expected to scrutinize requirements submitted by their subordinates, carefully plan the use of OPTAR funds received and continuously monitor the plan to actual execution, making adjustments to the plan where necessary. OPTAR grants are rarely sufficient to meet all needs. OPTAR holders are expected to use limited funding to meet their highest priority needs first. Unexpected costs during the quarter are typical and the OPTAR holder should be able to adjust the plan to accommodate emergent needs, without referring the requirement to TYCOM for additional funds.

b. Units will anticipate requirements and maintain a close liaison with the Squadron Supply Officer to keep him informed of the status of funds. A unit requiring additional funds will submit a message to the Squadron in the format of Exhibit 23-2. Exhibit 23-2 will also be used to request funds for TYCOM-funded shortages occurring as a result of an Integrated Logistics Overhaul/Integrated Logistics Review.

c. Groups/Squadrons requiring additional funds will submit a written request to COMSUBLANT/COMSUBPAC, as applicable, stating the amount of funds required, for whom the funds are required, specific reasons why funds are required and an impact if not funded. Indicate if the requested augment can be satisfied through reprogramming from other squadron OPTAR accounts or if advancement of funds from a subsequent quarter is feasible. If advancement of funds is the recommended option, a plan should be developed to live within the subsequent quarters lowered available balance.

2308. FINANCIAL ADVISORIES. Periodically there are financially related items of significance, which require immediate promulgation to subordinate activities. Subjects range from changes in financial policy, clarification of a specific financial area or revisions to an operational procedure. Financial Advisories will be numbered consecutively within a fiscal year. These advisories will be retained until incorporated in the next update of this instruction.

EXHIBIT 23-1
(Sample Format)

DATE: _____

From: Supply Officer, USS _____

To: Supply Officer, _____

Subj: WEEKLY FINANCIAL OBLIGATION REPORT: WEEK ENDING: _____

1. Memorandum OPTAR obligations FYTD are as follows:

Allocations: \$ _____ REPAIR PARTS \$ _____ OTHER OPTAR

Obligations: \$ _____ R

\$ _____ B

\$ _____ 2

\$ _____ OTHER

Available

Balances: \$ _____ REPAIR PARTS \$ _____ OTHER OPTAR

2. Date last Reconciled with Support Activity: _____

3. Date of last external MOV returned to Support Activity: _____

4. Days provisions on board: _____.

EXHIBIT 23-2

FM USS NEVERSAIL

TO COMSUBRON ONE

UNCLAS//N07330//

SUBJ: OPTAR AUGMENT REQUEST

A. COMSUBLANT/COMSUBPACINST 7330.5A

B. MTG USS NEVERSAIL LT RENDON/COMSUBRON ONE LT SHINE OF 10 SEP 98

1. PER REFS A AND B, THE FOLLOWING OPTAR AUGMENT REQUEST IS SUBMITTED:

A. AMOUNT REQUIRED AS AUGMENT:

B. OPTAR BALANCE AT TIME OF REQUEST:

C. DATE OF LAST OPTAR RECONCILIATION WITH SQUADRON ACCOUNTING ACTIVITY (IF APPLICABLE): *

D. DATE OF LAST SFOEDL AND AMOUNT OF UNRESOLVED CHALLENGES AND DATE OF LAST UOL PROCESSED WITH AD-CANC AMOUNT FOR THAT MONTH

E. DATE OF LAST VALIDATION OF OUTSTANDING OBLIGATIONS:

F. DOLLAR AMOUNT RECOVERED AS A RESULT OF THE VALIDATION:

G. JUSTIFICATION OF FUNDS:

H. IMPACT IF NOT FUNDED:

* "RECONCILIATION" INCLUDES THE MONTHLY COMPARISON BETWEEN MECHANIZED AND MEMORANDUM RECORDS AND THE ACCOMPANYING WORKSHEETS REQUIRED BY ALL ACCOUNTING ACTIVITIES OR SQUADRONS.

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SECTION 3: MANAGEMENT OF SHORE ACTIVITIES OPERATING FUNDS**CHAPTER 1 BACKGROUND AND FINANCIAL POLICY**

- 3101 Shore Activity Defined
- 3102 General Financial Management Policy
- 3103 Utilization of Funds
- 3104 Host/Tenant Agreements
- 3105 Relationship with Operating Forces
- 3106 Policy for Charging Reimbursable Customers for Incremental/Non-Incremental Costs

CHAPTER 2 PLANNING, PROGRAMMING and BUDGETING SYSTEMS (PPBS)

- 3201 General
- 3202 Types of Submissions
- 3202.1 Program Objective Memorandum (POM), Program Review (PR)
- 3202.2 Sponsor Program Proposal (SPP), Sponsor Change Proposal (SCP)
- 3202.3 Baseline Assessment Memorandum (BAM)
- 3202.4 Funding Status Review (FSR)
- 3202.5 Certified Obligations
- 3202.6 Apportionment/Budget, Apportionment Review

CHAPTER 3 ADMINISTRATION OF FUNDS

- 3301 Flow of Funds
- 3302 Limitations on Operating Funds
- 3303 The Spending Plan
- 3304 Reimbursable Orders
- 3305 Obligation Validation Reviews

CHAPTER 4 ACCOUNTING AND RECORD MAINTENANCE

- 3401 General
- 3402 Designation of Authorization Accounting Activity (AAA)
- 3403 Accrual Accounting
- 3404 Memorandum Accounting
- 3405 Temporary Additional Duty (TAD)

CHAPTER 5 REPORTS

- 3501 General
- 3502 Uniform Management Report - Format C
- 3503 Trial Balance Report (NAVCOMPT Form 2199)
- 3504 Activity-Sub-activity/Functional Category/Expense Element Report (NC 2171)

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SECTION 3**MANAGEMENT OF SHORE ACTIVITIES OPERATING FUNDS****CHAPTER 1 BACKGROUND AND FINANCIAL POLICY**

3101. SHORE ACTIVITY DEFINED. Section 3 pertains to COMSUBLANT/COMSUBPAC subordinate shore activities. A shore activity is an activity with a “N” service designator code, operating under reference (c) procedures. COMSUBLANT/COMSUBPAC shore activities currently are TRIDENT Refit Facility (TRIREFAC), Kings Bay; Naval Intermediate Maintenance Facility, Pacific Northwest (NAVIMFAC PACNORWEST), Commander Undersea Surveillance (CUS), Naval Submarine Support Facility (NAVSUBSUPPFAC), New London; and Naval Submarine Torpedo Facility (NAVSUBTORPFAC), Yorktown.

3102. GENERAL FINANCIAL MANAGEMENT POLICY. CINCLANTFLT and CINCPACFLT have entrusted to COMSUBLANT and COMSUBPAC the responsibility to manage financial resources properly and effectively. In turn, COMSUBLANT/COMSUBPAC places on the operating budget holder the responsibility to provide for the most effective and efficient use of resources. The Commanding Officer is therefore responsible for the allocation and use of financial resources in the performance of his assigned mission. The Commanding Officer shall ensure that periodic budget performance reviews/internal audits are conducted to certify the propriety of expenditures and to investigate deviations from financial plans. These reviews should provide the basis for resource allocation decisions and identify problems that require attention during the yearly Funding Status Review. Procedures should be established which inform appropriate management personnel on at least a monthly basis of the validity of accounting reports and the status of operating funds.

3103. UTILIZATION OF FUNDS. Prior to the start of a fiscal year, COMSUBLANT and COMSUBPAC will issue subordinate shore activities funds by fiscal quarter based on the financial phasing plans submitted in the most recent apportionment/budget call. In the event that funding authorizations have not been received from higher authority as of 1 October, COMSUBLANT and COMSUBPAC will provide appropriate guidance concerning authorized obligations during the interim Continuing Resolution Authority (CRA) period (see 1201.2). The Commanding Officer will ensure the 100% obligation of all funds authorized for each fiscal quarter. The Commanding Officer is responsible for ensuring that assigned funds are expended properly and in accordance with 31 U.S. Code 1301 and 31 U.S. Code 1517.

3104. HOST/TENANT AGREEMENTS. Certain areas of support are provided by activities on a common-service (i.e., without reimbursement) basis. These services include, but are not limited to, such areas as administrative, supply and fiscal support. An activity may also provide work or services to another activity that is not within its common-services mission. These are considered cross-service and are subject to reimbursement, provided the costs are significant, identifiable and can be developed without administrative difficulty. The clear definition of these cross-service costs shall be listed in all official host/tenant agreements negotiated by COMSUBLANT/COMSUBPAC shore activities. NAVCOMPT Manual VII, paragraphs 075120

and 075200 and CINCLANTFLTINST 4200.1 series (for COMSUBLANT activities) outline cross/common-service funding relationships and should be consulted in preparation of all host/tenant agreements. Note, a copy of all host/tenant agreements (i.e., ISSAs) involving any COMSUBLANT/COMSUBPAC activity will be forwarded to COMSUBLANT/COMSUBPAC for review and retention. Examples of common-service support normally provided without reimbursement to tenant activities are:

- a. Human Resource Office.
- b. Consolidated Civilian Guard Forces.
- c. Certain common use public works facilities (e.g., facilities that provide access to or service to more than one shore activity).

3105. RELATIONSHIP WITH OPERATING FORCES

a. **General.** While host/tenant relationships generally occur between two or more shore activities sharing facilities, there also exists a distinct relationship between the shore activity and units of the operating forces. In this case the shore activity is more of a supporting activity, providing services to afloat units; however, the classic host/tenant relationship may exist between the shore activity and afloat staffs located on the station but considered part of the operating forces.

b. **Afloat Units.** All ships and support craft assigned to the operating forces shall receive the following services and support without reimbursement:

- (1) Telephone service to include shore-to-ship hook-up and local calls as part of base operations cost. Toll calls are excluded and are the funding responsibility of the user.
- (2) Crane services, material handling equipment except for those crane services required before/after normal working hours. Overtime costs are reimbursable in connection with Repair of Other Vessels (ROV) work. Crane services for ROV shall be funded by the ROV OPTAR.
- (3) Taxi and common bus services except when usage generates overtime costs. Vehicles requested for other uses will be reimbursable.
- (4) Pier services including pier space, water, steam and electricity.
- (5) Handling, storage and disposal of hazardous waste/hazardous material.
- (6) Medical/Dental services.
- (7) Supply and fiscal support.

- (8) Berthing and messing facilities.
- (9) Welfare and recreation facilities.
- (10) Fire, protection and security services.

(11) For COMSUBPAC activities utilizing PACFLT ports, host activities will provide vehicle requirements within authorized allowances.

c. **Staffs.** COMSUBLANT/COMSUBPAC staffs are provided OPTARs to cover costs of operating supplies, equipment and miscellaneous administrative costs. In addition to the common services provided to ships that are also applicable to staffs, the following services shall be provided to COMSUBLANT/COMSUBPAC staffs located on CINCLANTFLT/CINCPACFLT bases without reimbursement:

- (1) Maintenance of roads, grounds and buildings.
- (2) Management of the shore station plant account of Class I and Class II property occupied by staffs.
- (3) Management of Class III (minor property) held by staffs.

d. **Service Craft.** Service craft such as lighters, tugs, utility pushers and diving boats, etc., assigned to a shore station may use Base Operating Support (BOS) funds for funding of in-house requirements, including maintenance. The exceptions are NSSF, TRIREFFAC Kings Bay and NAVIMFAC PACNORWEST who may use Shore Intermediate Maintenance Activity (SIMA) funds.

3106. POLICY ON CHARGING REIMBURSABLE CUSTOMERS FOR INCREMENTAL/NON-INCREMENTAL COSTS.

Some COMSUBLANT and/or COMSUBPAC activities may find themselves in a position of providing services to activities outside of the TYCOM chain of command. This is increasingly the case for IMAs providing regional maintenance repairs and services and questions may arise as to what can be charged to these customers. The COMSUBLANT/COMSUBPAC policy is that in all situations, customers outside the TYCOM chain of command may be charged for *incremental* costs incurred in the provision of the repair/service. "Incremental" is intended to mean those costs that would not have been borne by the COMSUBLANT/COMSUBPAC activity if the work were not performed for the customer. This means that costs may be charged for materials or commercially procured services used in the repair. Civilian overtime and/or holiday costs required and authorized by the customer can also be charged. Non-incremental costs would be straight time labor or fully funded services such as cranes/forklifts, which will cost no extra to perform this additional workload. The policy for non-incremental costs is as follows:

- a. **Outside TYCOM, within Fleet, both under O&MN.** Non-incremental costs may not be charged to those customers outside the TYCOM chain of command, but within the Fleet

chain of command, if both activities are funded under the O&MN appropriation. As an example, no civilian straight time labor will be charged to a fleet activity funded under O&MN. Note “within Fleet” refers to both CINCLANTFLT/CINCPACFLT, so it means, for example, a COMSUBLANT IMA will not charge a COMSUBPAC unit for civilian straight time labor costs.

b. **Outside TYCOM, within Fleet, under different appropriations.** If work is done for a fleet activity funded from an appropriation other than O&MN, *non-incremental* costs must be charged to the customer. This rule must be observed to avoid an R.S. 1301 violation. An example is that some COMNAVSURFLANT/COMNAVSURFPAC, COMNAVAIRLANT/COMNAVAIRPAC ships are funded under the O&MN, R (i.e. Reserve) appropriation. If the non-incremental cost of the repair is initially borne out of O&MN, it should be transferred to the funding document received from the O&MN, R appropriation.

c. **Outside TYCOM, outside Fleet, both under O&MN.** When performing work for a non-fleet activity, *non-incremental* costs may be charged to the customer. For budgeting purposes, COMSUBLANT/COMSUBPAC activities will continue to budget reimbursable civilian personnel when it is reasonable to expect work will be performed for non-fleet activities.

CHAPTER 2 PLANNING, PROGRAMMING AND BUDGETING SYSTEM (PPBS)

3201. GENERAL. Planning, Programming and Budgeting System (PPBS) is an integrated system for the establishment, maintenance and revision of the Future Years Defense Plan (FYDP) and the DOD budget. Neither TYCOMs or field (shore) activities have much direct input into the planning phase of PPBS. The planning phase is the first part of the process accomplished at the highest echelons and considers such factors as national interests, world security environment and national military structure. Through the POM and SPP, however, we participate in the programming phase and through the Apportionment/Budget, participate in the budgeting phase. The programming/budget formulation cycle is a continuous, interrelated series of actions which begin at the shore activity and flow upward through command echelons with a review and summarization process occurring at each level. Programming/budgeting is tied to the mission of the station and all data expressed in these documents must ultimately relate to performance of that mission. Since the budget is the basis on which resources are ultimately authorized, it must be justified on quantitative terms that will withstand critical analysis. The station budget also serves in the management and effective use of resources by providing a plan against which performance may be measured. Commanding Officers will establish a system within their respective commands to collect cost data that will support budget estimates. The data presented on the Uniform Management Report C, Activity/Sub-activity Functional Category/Expense Element Report (NAVCOMPT 2171), Trial Balance (NAVCOMPT 2199) and other financial plans must be the basis from which future budget submissions are developed. Specific guidance on each individual budget submission will be promulgated upon receipt from higher authority.

Consistency is an important aspect of programming/budgeting. Once program requirements are submitted, defended and accepted at the Fleet and higher echelon level, subsequent changes or "flip-flopping" of requirements in subsequent submissions weaken the issue. This is not to say requirements cannot change and if fact-of-life changes do occur the revision should certainly be included in the budget. But, to be successful in the budget process, the issue should be researched carefully in the beginning. The activity should also, as a regular part of the budget formulation process, compare current budget submissions to past submissions to ensure consistency. This is especially true with exhibits such as the OP-32 Inflation Exhibit. During the TYCOM review, we will sometimes see where an activity is buying materials mostly from the stock fund in one submission and SAG and then the next submission/same SAG, the activity will buy materials mostly from commercial sources. Unless the activity consciously changes the purchase methodology and can readily explain the change, then leave the purchase as previously displayed.

Another aspect of budgeting is the ability to explain/defend the requirements. Do not blindly accept requirements from departments. Learn as much about your activities programs as possible before submitting your budget to COMSUBLANT/COMSUBPAC. This expedites the budgeting process in two ways. First the activity can fully validate the requirement before including it in the budget. Some requirements when scrutinized are not defensible and should not be submitted. Second, when the COMSUBLANT/COMSUBPAC Comptroller's office has questions regarding the submission, TYCOM Comptroller personnel, as a rule, deal only with the activity's

Comptroller office and usually require a quick turn-around answer. This process is expedited if the activity's Comptroller office is familiar with the issue and can answer the question rather than relaying the question to the applicable department and waiting for their response.

3202. TYPES OF SUBMISSIONS. COMSUBLANT/COMSUBPAC will solicit budget data from subordinate shore activities for the Program Objective Memorandum (POM), Sponsor Program Proposal (SPP), Baseline Assessment/Memorandum (BAM), Funding Status Review (FSR), Certified Obligations and Apportionment/Budget.

3202.1. PROGRAM OBJECTIVE MEMORANDUM (POM), PROGRAM REVIEW (PR).

The POM (or PR as it is called in the off-years), as part of the programming phase of PPBS, is a request to modify the FYDP by identifying new programs requiring funding and increased funding for existing underfunded programs. It is a long range financial planning document. A POM differs from a budget in many ways, but is directly associated with it; the first two fiscal years addressed in the POM form the basis for assigning budget control numbers. Historically, the POM has been used as a vehicle to increase the budget by programming growth in the outyears where there would be less resistance to marks. In this era of budget cuts and funding shortfalls, the POM is more restricted. The POM takes the form of a series of individual issue papers addressed to the appropriate OPNAV sponsor. This POM is referred to as the "Claimant POM." There is another POM, referred to as the "Component POM" which is submitted by the Operations Division of COMSUBLANT/COMSUBPAC with assistance from the Comptroller office for financial terminology/profile. The Component POM will not be discussed in this instruction. For the Claimant POM, COMSUBLANT/COMSUBPAC is usually limited to five issues per OPNAV sponsor, therefore subordinate activities should ensure their submission identifies only the highest priority, significant issues. The POM is usually prepared during the summer months and similar the Apportionment/Budget, is conducted on a two-year cycle.

3202.2. SPONSOR PROGRAM PROPOSAL (SPP), SPONSOR CHANGE PROPOSAL (SCP).

The SPP is the key piece of the programming phase of the PPBS and is a heavy workload, similar to the Apportionment/Budget. The SPP is a statement (in budget terms, although not priced out in as much detail as the budget) of each warfare sponsor's priorities and plans for the FYDP. Each OPNAV warfare sponsor (N87 for Undersea Warfare, N86 for Surface Warfare, etc.) receives input for consideration from various sources and builds a program (how many SSNs, what level to man each ship, how many torpedoes, what level of Base Operating Support, etc.) that is balanced from a warfighting and affordability perspective. COMSUBLANT/COMSUBPAC provides input to only one (albeit our largest) OPNAV sponsor - N87. Other warfare sponsors submit the SPP for debate. OP-80 plays "honest broker" for the CNO and "balances" all sponsors' programs into a coordinated Navy Program Objective Memorandum (POM). The Navy POM is given to claimants to execute and to NAVCOMPT who issues dollar "controls" for the development of budget exhibits for the first two years of the FYDP.

The SPP is also conducted on a two-year cycle, but during the off-years the SPP may be updated through a Sponsor Change Proposal (SCP). The format for the SPP/SCP is changeable, depending on the needs of N87 and therefore, more difficult to plan ahead without their specific

guidance. For example, it can take the form similar to the summer POM, whereby new issues or unfunded old issues are addressed in issue paper format. Or, it can request which force or infrastructure changes are recommended to accommodate current funding levels.

3202.3. BASELINE ASSESSMENT MEMORANDUM (BAM). The BAM is a model to calculate requirements in a given program particularly during SPP development and is used as an independent check on the adequacy of the sponsor's and claimant's funding needs. There are fourteen different BAMs, including manpower, maintenance, training, spares, etc. BAMs are developed by OPNAV assessment sponsors (i.e., OPNAV N1, N4, N6, N7, etc.) as opposed to resource sponsors (i.e., N87). TYCOMS contribute to this process by providing historical and projected data to their respective OPNAV sponsors. Programming guidance then directs resource sponsors to fund programs at designated percentages of calculated BAM levels.

The BAM, which COMSUBLANT/COMSUBPAC participate most heavily in, is the Intermediate Maintenance Activity (IMA) BAM. The IMA BAM establishes how much funding we will have at TRF, NSSF and NSTF, as well as material needs for refits. COMSUBLANT/COMSUBPAC verify data such as shipyears and homeport assignments, projected workload, civilian end strength and workyears, military manning levels, TRIPER requirements and overhead costs. TYCOMs have a heavy interest in full participation in the BAM process, since it is the BAM (and not the Budget/POM) process which determines top-line funding. Without involvement of the Fleets, the BAM may miss the special aspects of a program (i.e., the overhead cost of the Controlled Industrial Facility/Waterfront Support Activity in Norfolk; or the combined base supply department at TRF).

3202.4. FUNDING STATUS REVIEW (FSR). The method for COMSUBLANT and COMSUBPAC to identify current year funding shortfalls to CINCLANTFLT/CINCPACFLT during the fiscal year is the FSR, conducted during February-March of each year. The call usually goes out in February. To be ready for this data call, Commanding Officers should ensure that a continuing, comprehensive review of resources is conducted throughout the year. Priorities should be evaluated and funds reprogrammed (with COMSUBLANT/COMSUBPAC approval when a reprogramming action exceeds \$50K), as required, to meet current needs. Any firm requirement that cannot be accomplished by reprogramming should be identified to COMSUBLANT or COMSUBPAC immediately but not later than the FSR.

3202.5. CERTIFIED OBLIGATIONS. The process of certifying obligations is to validate total yearly obligations as of 30 September of each fiscal year. This process is normally completed in three parts. The General Ledger accounts are certified by the 2nd week of October following the end of a fiscal year. The expense elements are certified by the 3rd week of October. In part three, supporting budget exhibits are due to CINCLANTFLT/PACFLT early November. All exhibits are prepared based of NAVCOMPT 2171 obligations, except for labor, which is validated using the CPRRS Report. End of year balance for expense element "Z" must reflect zero balance on the 30 September reports. It is important to remember that part three of this submission is based on the results of parts one and two. For example, if Transportation of Persons (GLA 0971) is certified in part one to be a certain amount, then each activity must ensure that the total expense element "E" in parts two and three equal part one. In a sense, each part builds off the previous

part. Also, the due dates for parts one and two are very rigid. Late submissions will, unfortunately, not be allowed, since the due dates are tied to strict due dates at FMB. If the activity cannot meet the due date, it will force COMSUBLANT/COMSUBPAC to submit something on your behalf. This is discouraged since you will then have to use our data to complete your remaining parts of Certified Obligations.

3202.6. APPORTIONMENT/BUDGET, APPORTIONMENT REVIEW. The initial budget for a fiscal year is normally prepared for submission to COMSUBLANT/COMSUBPAC approximately 18-30 months before commencement of the budget fiscal year. The Navy is on a two-year budget cycle, so two years are planned at any one time. For example, in the spring of FY97, COMSUBLANT and COMSUBPAC prepared the FY99/00 Budget for the first time. At the same time, we were adjusting the previously submitted budget for FY98, which would in this submission be called the "apportionment." Since it is a two-year budget cycle, the "on-year" is a considerable workload. The "off-year" requires less of a submission, although there is a call for a "review" of the previous budget submitted. Upon receiving a budget call from CINCLANT/CINCPACFLT, COMSUBLANT/COMSUBPAC will issue a budget call to shore activities. The budget call will contain financial and other controls, format and exhibit instructions. Every effort must be made to ensure that budgetary data contained in this request is based upon the best available plans as they relate to the operational requirements for the budget year. Although final plans may be unavailable, best estimates should be reflected in order to provide the earliest possible visibility of requirements.

a. **Budget Controls.** The annual DOD budget is based on the approved FYDP. Based upon the resource limitations of the approved FYDP, certain controls must be placed upon the resources allocated to shore stations. Subsequent controls may be applied as a result of congressional marks to the budget before it is appropriated.

(1) **Financial Controls.** With the specific guidance for each individual budget submission, COMSUBLANT/COMSUBPAC will issue control figures for all applicable Special Interest Categories. These figures represent the best estimate of funds that will be made available to the Commanding Officer for operation of the station during the fiscal year being addressed. The Commanding Officer has the latitude during execution to apply resources within these controls to the various functional categories to best fulfill the missions, tasks and functions of the activity. Funds will not normally be shifted between Special Interest Categories (i.e., MRP, Base Operations) during the budget process. The only exceptions are for funding known, existing, fact-of-life requirements, such as Military Sealift Command. Resources required above the controls will be submitted as unfunded requirements.

(2) **Full-Time Equivalent (FTE) Workyear Controls.** Due to the limited resources available and control dollar restrictions by higher authority, the budget call or subsequent communications will contain controls on the workyear total for civilian employees. The control number will represent the maximum workyears of civilian personnel that may be expended by the last day of the fiscal year. Any management decision to exceed assigned control numbers during the year must be approved by COMSUBLANT/COMSUBPAC (Code N413).

b. **Format.** The overall format of the budget will vary from year to year and guidance will be provided with the budget call. However, the budget follows a somewhat standard format. Since specific guidance from CINCLANTFLT/PACFLT is usually late into the budget cycle, it is recommended that the shore activity plan ahead, using the previous years guidance from COMSUBLANT/COMSUBPAC. Start as early as desired to develop fiscal year/SAG requirements. Assume the same exhibits will be required as the previous submission (caution: for a Budget, use format for the last Budget, not the Apportionment Review). Then, be prepared to make minor modifications based on actual requirements. In this way, you can prepare your budget at a more leisurely pace and minimize overtime.

c. **Budget Exhibits.** The specific form and content of the detailed exhibits required for each budget submission varies and will be promulgated with each individual budget call, however, the following general guidance is provided for exhibits that have remained fairly constant.

(1) **OP-5 Performance Criteria.** Performance Criteria indicates certain significant units of measure used to assess workload of a given measurable function. The basic form usually requires an increment/decrement statement in which justification for increases or decreases in functional programs from one fiscal year to the next must be explained. The more specific you can be regarding increases and decreases will reduce the amount of follow-on questions you will receive from higher authority. Remember to only provide performance criteria that can be funded from the control provided. Do not identify unfunded performance criteria - this will be requested in the section of the unfunded exhibit format entitled "Effect on Performance Criteria."

(2) **OP-32 Inflation Exhibit.** The OP-32 is the cornerstone of the budget. It requires the activity to identify SAG funding control by Object Class. The Object Class code is identified in the fourth and fifth positions of OP-32 line item and are the same Object Classes as defined in NAVCOMPT Manual 026000. The OP-32 compares the use of funding over several fiscal years, separating the differences into inflation and program growth/loss. As with the OP-5, the OP-32 requires an increment/decrement statement in which justification for increases or decreases in functional programs from one fiscal year to the next must be explained. The more specific you can be regarding increases and decreases will reduce the amount of follow-on questions you will receive from higher authority. This exhibit, more than any other, can readily expose program weaknesses. If funding controls are not divided proportionally (without a compelling explanation), it appears the activity does not know how the funding will be used. If the explanations of program growth/loss are not specific and justifiable, it will be viewed as unnecessary funding and cuts will be likely. Therefore, explanations such as "to meet funding control", or those which are made at the overall SAG vice OP-32 line item level are strongly discouraged.

(3) **Civilian Personnel.** The CIVPERS exhibits display the number of civilian personnel anticipated to be employed and the cost of that employment. The data displays type of hires, direct and reimbursable employees.

(4) **Facilities Management.** The facilities management exhibits PB-27 provide data on resources required for maintenance ("M1"), minor construction ("R1"), public works operations

("P1") and utilities ("N1"). The basic form for facilities management data is the Uniform Management Report C that will be prepared in accordance with reference (c). Justification for changes from one fiscal year to the next will be brief and precise.

(5) Unfunded Requirements (OM-6 Exhibit). In the process of formulating the shore base budget, requirements for operating resources that exceed controls will be addressed separately as unfunded requirements. These requirements will be submitted in order of priority and must be limited to significant, mission-essential tasks and functions. The most important element of an unfunded requirement is justification, which must be thorough but concise, accurate and substantiated by quantitative data. Each unfunded requirement must include a statement of impact on the mission of the station and must include an assessment of what action will be taken if funds are not ultimately provided.

(6) Functional Transfers (NC-4 Exhibit). The realignment of funds to support the transfer of functions between activities will be in accordance with NAVCOMPT Manual VII, paragraph 075004 and will normally be accomplished within the normal budget cycle. The request for functional transfers must be accompanied by copies of applicable studies, letters, messages, etc and must only be included if both parties have agreed upon the resources to be transferred. Note that the gaining command usually initiates the requirements estimate. Functional transfer amounts are not to be included in funded program budget exhibits. The exhibits will be updated once the resources are officially approved and transferred in the budget controls.

d. Activity Review. Budget submissions must be reviewed to ensure all required exhibits are included, completed as required and are mathematically accurate. Also, ensure that requirements which cross exhibits are consistently portrayed.

e. TYCOM Consolidation and Submission. When the shore activity forwards their budget to COMSUBLANT/COMSUBPAC, it is combined with related SAG budgets developed by TYCOM. The result is reviewed and evaluated as a combined package and changes made where necessary to improve the validity and justification for programs and funds.

f. Budget Review Process. The budget review process within the Navy provides a system of checks and balances to facilitate the most defensible and executable budget possible. This process is extremely important given this era of budget reductions and increased non-DOD program requirements competing for scarce dollars. Once the COMSUBLANT/COMSUBPAC budget is submitted to CINCLANT/CINCPACFLT, it is carefully scrutinized to ensure that preparation guidance has been followed, it is well justified, it is consistent with execution experience and it is executable and conforms to legal requirements.

g. Budget Marks. Budget reviewers will from time to time disagree with a submitted budget and propose an adjustment called a *mark*. The amount and justification for the mark are usually provided. Budget cuts fall into two categories: *horizontal* (i.e., across the board cuts) and *vertical* (i.e., elimination of programs). Budget reviewers tend to inflict horizontal cuts because they are easier to impose and they are harder to defend against. In the case of horizontal cuts, the

tough decision of what to cut is passed down the chain of command. Those inflicting this type of cut argue that the affected parties are in the best position to determine where cuts can be taken. Those being inflicted with horizontal cuts argue that budget reviewers don't want to make tough vertical cut decisions, so they just pass the buck. If the affected party takes the cuts in the wrong place, it is the affected party's fault, as they decided what to cut. The other reason why horizontal cuts are usually inflicted is that they are harder to defend against. How does one argue a horizontal 5% reduction in program funding when the consequences are barely evident?

h. **Reclamas**. Affected parties are afforded the opportunity to appeal the marks by submitting *reclamas*. Reclamas are designed to explain the adverse impact of the proposed mark on program execution. It is important to understand that reclamas are very short fuse events. Failure to respond in a timely manner can result in a permanent mark. Reclamas should be brief, well-written and introduce arguments not previously submitted.

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CHAPTER 3 ADMINISTRATION OF FUNDS

3301. FLOW OF FUNDS. Shore activities receive Resource Authorizations from COMSUBLANT/COMSUBPAC, which include limitations on quarterly and activity/sub-activity group spending. Do not reprogram these controls without written authority by COMSUBLANT/COMSUBPAC.

3302. LIMITATIONS ON OPERATING FUNDS

a. The Resource Authorization limits New Obligational Authority (NOA) which may not be exceeded except for the value of reimbursable orders received as discussed in paragraph 3304. This authority is subject to 31 U.S. Code Revised Statutes 1517. Reports of over-obligation shall be reported in accordance with the Financial Management Regulations (FMR), Volume 14, CINCLANTFLTINST 7100.2J or CINCPACFLTINST 7042.4F, as applicable.

b. The remarks section of the Resource Authorization must be reviewed carefully to ensure compliance with all administrative limitations. These restrictions are not limitations by statute but are administrative limitations placed on funds at various levels and must be adhered to. Examples include Full-Time Equivalent (FTE) Workyears, Maintenance of Real Property and/or Travel of Personnel. Care must be taken to remain within these administrative limitations. Authorizations must be requested in advance from COMSUBLANT/COMSUBPAC (N413) to exceed these limitations. Conversely, request COMSUBLANT/COMSUBPAC is notified when any part of the limitation can be withdrawn.

3303. THE SPENDING PLAN

a. The initial spending plan for the fiscal year is developed during the submission of the shore activity's Apportionment/Budget submitted the previous spring. This plan is equal to funding controls current at Apportionment. Care must be taken to ensure that the spending plan reflects a balanced, realistic program based upon the assumption that no additional funds will be authorized. During the execution year, Commanding Officers will ensure that periodic reviews of the financial plan are conducted and that actual performance is measured against the spending plan. The Uniform Management Report C is an excellent tool for this review (see paragraph 3502).

b. It should be recognized that actual funding does not usually correspond with the funding control reflected in the budget or that actual funding will fulfill the total funding required. It is also recognized unplanned, emergent requirements in the year of execution will cause distortions to the spending plan. Accordingly, shore activities will normally be asked to revise the current year spending plan to fit actual funding controls. Actual spending by an activity will be compared to the spending plan on a monthly basis and an explanation of all significant obligation variances in relation to approved spending plans will be requested. Each activity is required to review execution performance monthly in relation to the spending plan and be prepared to explain variances at the SAG level. Some explanations may indicate a "lesson learned" for developing the next spending plan. For example, if an explanation of over-execution is the result of obligating a

contract's annual cost at the beginning of the fiscal year rather than quarterly increments, the lessons learned is to plan to obligate the funding on an annual basis in the next spending plan. Remember, the spending plan is an approximation of what you actually plan to do in the year of execution.

3304. REIMBURSABLE ORDERS. As operating budget holders, Commanding Officers are authorized to accept reimbursable orders for work or services to be performed for an outside activity/command, provided such work will not interfere with the activity's mission. Reimbursable orders in this section include only NAVCOMPT 2275s, DD1149s (from afloat activities) and reimbursable Work Estimates. NAVCOMPT 2276's and 2277's are not reimbursable orders. The following are guidelines applying to execution of reimbursable work by COMSUBLANT/COMSUBPAC shore activities:

a. In response to COMSUBLANT/COMSUBPAC's annual budget call in March of each year, field activities will provide estimates of reimbursable funding by customer, type of appropriation, type of service and amount anticipated for each budget year. Additionally, the budget submission labor exhibits will include details of projected reimbursable labor expenditures by work-years and assigned end-strength.

b. The acceptance of a reimbursable order automatically increases the obligational authority granted on the NAVCOMPT 2168-1. Reimbursable orders will be accounted for in accordance with references (c) and (d). Note that if the provider of funds identifies incremental quarterly funding, the increase of obligational authority is equal only to the amount authorized through the current quarter.

c. Reimbursable funding, normally received on NAVCOMPT Form 2275 Order for Work and Services, as either Work Requests or Project Orders, can be a significant element in the planning and execution of both the receiver and provider budgets. It is therefore incumbent upon COMSUBLANT/COMSUBPAC activities receiving reimbursables to monitor the use of these funds closely, to ensure they are only used to accomplish the work and/or services as described in the description block of the document and ensure either the full utilization of the dollars or the prompt return of unneeded money to the funding sponsor. To accomplish this, field activities shall conduct reviews at least quarterly and once each week during the last six weeks of the fiscal year.

3305. OBLIGATION VALIDATION REVIEWS. These reviews provide an appropriate means to identify and correct obligation accounting errors and ensure that only those obligations that are valid and reflect a real requirement remain in accounting ledgers and financial reports. Shore activities will perform quarterly reviews of all outstanding direct and reimbursable obligations, regardless of fiscal year and retain documentation on file for audit/review by higher authority. Documentation should include the number and amount of obligations reviewed by category (work requests, project orders, job orders, supply requisitions), amount de-obligated and amount validated as accurate and required. Additional high value obligation reviews are recommended in the last quarter of the fiscal year. The Force goal for outstanding obligation validity is 98%. The Force minimum standard is 90%. To improve the management of prior

fiscal year O&MN appropriation funding, a review of prior year obligations will be conducted quarterly. The following actions for prior year appropriations should be taken:

- a. Undelivered orders should be reviewed to ensure that they are valid, that the material or services have not been delivered and that a bonafide need continues to exist. If the material or service has been delivered and no invoice has been received or payment made, action should be taken to adjust undelivered orders to properly record the accounts payable.
- b. Accounts payable requires constant review to assure that they are valid liabilities. If an invoice has not been received and there is no litigation in effect and if the amount of the payable is less than \$100 and 90 days have lapsed since the initial documented request, the liability shall be written off and the related obligation canceled and returned to the unobligated balance. If the amount payable is more than \$100 and there is documentation on file that at least two written requests have been made for an invoice, the liability shall be written off and the related obligation canceled and returned to the unobligated balance. To qualify for the write off and de-obligation, the second request for an invoice shall be dated at least 60 days before the date of the write off.
- c. Review all reimbursable orders received and outstanding to ensure that the report on reimbursable orders received, NAVCOMPT Form 2193, reflects accurate balances. Grantors of reimbursable orders should use the NAVCOMPT 2193 to recoup any balances available and initiate subsequent de-obligation.
- d. Review all outstanding accounts receivable and ensure maximum effort is taken to collect on these accounts.
- e. Unobligated balances available as a result of these actions which are not proposed for retention, should be identified to provided of funds in a documented format. Retain a copy for files.

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CHAPTER 4 ACCOUNTING AND RECORD MAINTENANCE

3401. GENERAL. Accounting and record maintenance will be performed in accordance with the procedures outlined in references (c) and (d). All records will be maintained by the activity for six years for the O&MN appropriation. This includes the current year and five previous fiscal years.

3402. DESIGNATION OF AUTHORIZATION ACCOUNTING ACTIVITY (AAA). The AAA is responsible for maintaining official accounting records and forwarding official reports. The AAA for all COMSUBLANT shore activities is Defense Finance and Accounting Service (DFAS), Operating Location (OPLOC), Norfolk. The AAA for COMSUBPAC shore activities is DFAS, OPLOC, San Diego.

3403. ACCRUAL ACCOUNTING. Activities will take positive steps to ensure that accounting is performed on an accrual basis and that expenses are recorded in the fiscal period in which they accrue. This is particularly important in correcting “errors and omission” situations for prior fiscal years. Sufficient controls should be instituted to preclude incurring expenses in excess of the authorized amount in the accrued accounting period. Accrual accounting is mandatory in order to ensure a uniform base to predict future needs and to measure past performance.

3404. MEMORANDUM ACCOUNTING. Official accounting records and reports are maintained and rendered by the designated AAA. However, COMSUBLANT/COMSUBPAC Commanding Officers will maintain memorandum accounting records sufficient to preclude the over-obligation of funds. Memorandum records should be in sufficient detail to validate official accounting reports rendered by the AAA or to update accounting reports in the event that ADP failure or some other circumstance prevents timely reporting by the AAA. Memorandum records must be utilized to ensure that all statutory and administrative limitations on resource authorizations are complied with.

3405. TEMPORARY ADDITIONAL DUTY (TAD). Financial management and control of TAD funds is the responsibility of the Commanding Officer. To separately identify TAD costs in budget submissions, shore activities will account for TAD costs in their respective operating budgets by means of the job order system. In the administration of TAD funds, at a minimum, the activity will do the following:

a. Controls should be developed to avoid over-spending any target (quarterly, annual, or other) that may be identified on the Resource Authorization (NAVCOMPT 2168-1).

b. Cost estimates on travel orders should be carefully determined and accurate. SATO should always be used in making airplane and car reservations. If SATO cannot be used, ensure documentation is maintained to explain why another method was chosen. Airfare and rental car costs (as provided by SATO) will reflect actual cost. BOQ/BEQ will always be used unless unavailable. The orders will clearly state if BOQ/BEQ exists in the commuting area of the TAD; if so, orders must indicate a non-availability number if BOQ/BEQ is not used. For non-frequent

travelers the command should ensure travel advances do not exceed 80% of the per diem and miscellaneous cost estimate. For frequent travelers, advance should not exceed 100% of meals and miscellaneous.

c. Require participation by frequent travelers in the Navy Travel Charge Card program as a means of reducing the amount of outstanding travel advances (OTAs). Frequent travelers are considered personnel E-7/GS-9 and above who travel or are expected to travel on official TAD/TDY orders. Frequent travelers who decline participation in this program will still have orders marked as "Frequent travelers" and will have advances calculated at the lower rate provided for the Navy Travel Charge Card Program participants.

d. The COMSUBLANT/COMSUBPAC goal for OTAs is zero. Records should indicate active, aggressive and timely action toward clearing OTAs. Memorandum records should indicate the DOV number and date of the final claim and TAD manager should ensure disbursing processed the claim correctly, to allow the clearing of the OTA. This means, the final claim should reflect a separate line of accounting to show a transaction type "1K" and a credit amount equal to the amount of the OTA. Any discrepancies should be resolved promptly with the applicable disbursing activity. AAA OTA reports should indicate status of each OTA still open on the official accounting records and the efforts being taken to clear them. The shore activity is equally responsible for ensuring OTAs are cleared and official accounting records are correct.

CHAPTER 5 REPORTS

3501. GENERAL. Accounting reports serve the dual purpose of providing higher authority with financial status and providing Commanding Officers with information required to manage allocated funds. To be useful, the information must be timely and accurate. This is the ultimate responsibility of the COMSUBLANT/COMSUBPAC shore facility and can only be assured by use of adequate memorandum records and by sufficient follow up with the AAA to ensure agreement between the activity records and those of the AAA.

3502. UNIFORM MANAGEMENT REPORT-FORMAT C. This report provides details as to cumulative fiscal year-to-date actual man-hours, work units planned and accomplished and work unit cost and consignments at the cost account code level. It also provides actual and planned expenses, prior fiscal year expenses, undelivered orders and fiscal year-to-date gross adjusted obligations at the cost account code/ expense element level. The report is divided into two parts - direct and reimbursable. A mechanized report is prepared monthly by the AAA for submission to the cost center and responsibility center.

3503. TRIAL BALANCE REPORT (NAVCOMPT FORM 2199). This report provides to the operating budget holder and operating budget grantor the current fiscal year status of all O&MN funds (both direct and reimbursable) received on the Resource Authorization and funded reimbursable orders. A monthly report is generated in STARS/FL for the operating budget holder and major claimant/sub-claimant. Refer to Exhibit 35-1 for significant trial balance accounts.

3504. ACTIVITY-SUBACTIVITY/FUNCTIONAL CATEGORY/EXPENSE ELEMENT REPORT (NAVCOMPT 2171). This report provides accrued expenses and obligations by expense element and subhead for each activity/sub-activity group and functional/sub-functional category. This information is utilized by the major claimant for input into the Navy Cost Information System (NCIS) at the CNO/FMB level. A monthly report is generated in STARS/FL for the current year only and made available to the operating budget holder and major claimant/sub-claimant. Expenses and obligations are reported for the report month and cumulative-to-date only. This report is useful in tracking execution in comparison with funding received on the Resource Authorization (NAVCOMPT 2168-1) and in determining the breakdown of expenses into expense elements for display in OP-32 Exhibits for annual budget submissions. Also, the report is used by COMSUBLANT/COMSUBPAC and CINCLANTFLT/PACFLT to review status of certified obligations as of 30 September of each year. The activity should review this report monthly to not only see its financial status as it will be viewed by higher authority, but also to ensure it does not contain any incompatible AG/SAG/FSF/EE relationships. These errors are usually a direct result of incorrect development of job orders and should be corrected immediately, as occurring.

EXHIBIT 35-1**ACCOUNTS TO WATCH****NAVCOMPT FORM 2199 Trial Balance Report**

<u>Acct #</u>	<u>Account Title</u>	<u>Balance Should Be</u>	<u>Explanation</u>
1031	Allotments/OBS Authorized	Debit	Direct authorizations received. This should equal the most current NAVCOMPT 2168.
1512	Travel	Debit	This figure represents the current value of OTAs. Note this account includes both direct and reimbursable OTAs.
1930	Undistributed Labor	Debit	These are labor costs not distributed to good job orders.
1960	Unmatched Funds	Debit	These are disbursements that do not match an obligation. These occur most often when obligations are not loaded properly.
3211	Uncom/Unobl Direct PGM	Credit	The balance of direct funds remaining. We are over-obligated (in the RED) if this account is in the debit position.
3280	Dir Unobl Bal	Credit	The balance remaining to cover obligations for prior years.
0920	Fringe Benefits Payable	Credit	If a debit balance, acceleration is insufficient.

EXHIBIT 35-1 (Cont'd)

<u>Acct #</u>	<u>Account Title</u>	<u>Balance Should Be</u>	<u>Explanation</u>
3230	Outstanding OBS Direct	Credit	Summarizes outstanding obligations under the direct program.
3232	Outstanding OBS Reimbursable	Credit	Summarizes outstanding obligations under the reimbursable program.
1810	Reimbursable Orders Recv'd	Debit	Summarizes the total value of funded reimbursables received.
0998	Gross Adjusted Obligations- Direct	Debit	Summarizes total direct obligations.
0999	Gross Adjusted Obligations- Reimbursable	Debit	Summarizes total reimbursable obligations.

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SECTION 4: MANAGEMENT OF INVESTMENT FUNDS**CHAPTER 1 OTHER PROCUREMENT NAVY (OPN) APPROPRIATIONS**

- 4101 Expense versus Investment
- 4102 OPN Definition
- 4103 Planning
- 4104 Financial Policy

CHAPTER 2 OPERATING FORCES SUPPORT EQUIPMENT (OFSE)

- 4201 OFSE Definition
- 4202 Exclusions
- 4203 OFSE Budgeting Management
- 4204 OFSE Procurement Procedures

CHAPTER 3 INDUSTRIAL PLANT EQUIPMENT

- 4301 IPE Definition
- 4302 IPE Budgeting Procedures
- 4303 IPE Acquisition
- 4304 IPE Procurement versus Repair
- 4305 IPE Management System (IPEMS)

CHAPTER 4 PHYSICAL SECURITY

- 4401 Physical Security Definition
- 4402 Physical Security Equipment Budgeting Procedures

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SECTION 4

MANAGEMENT OF INVESTMENT FUNDS

CHAPTER 1 OTHER PROCUREMENT NAVY (OPN) APPROPRIATIONS

4101. EXPENSE VERSUS INVESTMENT. Expense transactions are defined as expenditures for all services, consumable materials and for non-centrally managed purchases of equipment with a unit value under \$100,000.00. Expense transactions will be funded with O&MN appropriations. Equipment with a unit value of \$100,000.00 or more are generally considered **investment** cost items and will be funded by the procurement appropriation OPN. The following miscellaneous information applies to all types of OPN procurements:

a. Guidelines for new or existing system equipment acquisitions:

(1) When several items are a part of and function within the context of a system to satisfy a documented requirement, "unit value" applies to the aggregate cost of all items being acquired for a new system. When the system unit cost is greater than \$100,000.00, OPN funds are applicable.

(2) When items are being acquired as additions to or replacement within an existing system in combination to address validated deficiencies or improve system performance, the system unit cost applies to the aggregate cost of all new equipment being acquired in the same manner as a new system procurement.

(3) When the items are being acquired to satisfy a documented requirement on a stand alone basis, or as additions to or replacements within an existing system and the items themselves are not characteristic of a system as described above, the system unit cost applies to the individual equipment item. If the cost of the individual equipment item is less than \$100,000.00, O&MN applies.

b. Ensure projects (i.e., "systems" or otherwise) are not fragmented into smaller projects to circumvent approval thresholds. Acquisition of resources through a series of related by incremental procurements is prohibited unless addressed as part of an encompassing project. For example, do not split procurement of a local area network (LAN), in an effort to come under the \$100,000.00 unit cost and therefore use O&MN (i.e. OPTAR) funds. This constitutes a violation of 31 U.S. Code 1301 (refer paragraph 1203 of this manual).

c. The system "unit cost" is not increased for transportation and installation charges, nor is it decreased for early payment discounts and trade-in allowances. Even though these costs do not influence the "unit cost," they are included in the total cost, all of which is funded with OPN.

4102. OPN DEFINITION. The OPN appropriation finances the procurement, production and modernization of equipment not otherwise provided for by other appropriations. The OPN appropriation is divided into eight Budget Activities. Budget Activities 1 through 6, defined in

the FMR Volume 7, paragraph 074360, are commodity oriented and are administered by various systems commands/project managers. They may, but usually do not, apply to COMSUBLANT/COMSUBPAC activity requirements. When applicable, requirements for these items should be addressed to the cognizant system command via the chain of command. Budget Activity 7, Personnel and Command Support Equipment, is the OPN Budget Activity which usually applies to COMSUBLANT/COMSUBPAC OPN procurements and is the responsibility of the OPNAV Fiscal Management Division; however, direct administration is delegated to various second echelon commanders. CINCLANTFLT/CINCPACFLT has the responsibility to administer Operating Forces Support Equipment (OFSE), a segment of Budget Activity 7, for the Atlantic/Pacific Fleet.

4103. PLANNING. The procurement of most OPN items normally involves long procurement lead times that average two fiscal years. Planning for requirements should include equipment with high failure or high cost repair rates and equipment within two years of specified "useful lives." Requirements for technical approval prior to procurement (such as certain industrial plant, printing, copy/duplicating, word processing and automated data processing equipment) are the responsibility of the requesting activity. A copy of the appropriate approval shall accompany requests for OPN funds. All requirements should be carefully scrutinized to ensure that additional or replacement equipment does not constitute an improper alteration to a ship's configuration. If applicable, an Allowance Change Request (ACR) or SHIPALT approval request must be submitted and approved prior to procurement of the requirement. This should be ascertained before any formal submission requests are forwarded to COMSUBLANT/COMSUBPAC.

4104. FINANCIAL POLICY. Due to the extended timeframe of the OPN process, it is very difficult to accurately predict future needs and the costs associated with the OFSE/IPE requirements. This requires management attention in order to develop a viable system of equipment replacement and to accurately predict the specific equipment needed. Historically, cost estimates have been low and the identification of equipment (including necessary attachments) has been inadequate.

CHAPTER 2 OPERATING FORCES SUPPORT EQUIPMENT (OFSE)

4201. OFSE DEFINITION. Operating Forces Support Equipment (OFSE) refers to general purpose, non-consumable items that are not centrally managed, are not identifiable to a National Stock Number (NSN) and have a unit cost of \$100,000.00 or more. The following is a representative list of items that are procured with OFSE funds, if the above criteria are met:

- a. Station, Ship/Boat support items such as camels, pontoon camels, brows, floats, air conditioners, transformers, fire suppression equipment, gangways and waste disposals (e.g., incinerators).
- b. Fleet Mooring such as surface mooring buoys, attendant chains, anchors, fittings and accessories which provide temporary berthing where pier space is limited.
- c. Information Technology (IT) Equipment such as computers, ancillary equipment, software, phones, local area networks (LAN) and support services. Information technology is defined as all equipment or an interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information.
- d. DLA/GSA and other services centrally managed material otherwise meeting the investment criteria with other than an Industrial Plant Equipment (IPE) Federal Supply Class.
- e. Mess and Galley equipment such as dishwashers, hoods and vents.
- f. Laundry equipment such as steam presses, sleeveers, flatwork irons and dry cleaning plants (shipboard only).
- g. Fleet Imagery equipment such as audio visual/imaging or photographic equipment.

4202. EXCLUSIONS. The following types of equipment are not considered OFSE and are excluded:

a. **Industrial Plant Equipment (IPE).** Machine-shop plant equipment used for the purpose of cutting, abrading, grinding, shaping, forming, jointing, testing, measuring, heating, treating, or otherwise altering the physical, electrical, or chemical properties of materials, components, or end items, involved in manufacturing, maintenance, supply, processing, assembly, or research and development operations. For further information, refer to Chapter 3.

b. **Title “K”, “P”, “D” and “F” Ship Alterations (SHIPALTs)**

(1) Title “K” is assigned to all SHIPALTs affecting military characteristics, large technical SHIPALTs and any SHIPALT requiring Headquarters Centrally Procured Material (CPM). Authorization for funding and accomplishment is controlled by Chief of Naval

Operations (CNO) within the Fleet Modernization Program (FMP). Note: TYCOM installation of a Title "K" SHIPALT requires CINCLANTFLT/CINCPACFLT approval.

(2) Title "P" is assigned to selected Title "K" SHIPALTs prepared as package alterations for installation primarily by an Alteration Installation Team (AIT). Funding for package development and installation is controlled by CNO. Note: TYCOM installation of a Title "P" SHIPALT requires CINCLANTFLT/CINCPACFLT approval.

(3) Title "D" is assigned to technical improvements which may or may not be within the capability of forces afloat to accomplish. Funding for both material and installation is provided from TYCOM O&MN or OPN funds, as applicable.

(4) Title "F" is assigned to minor technical improvements which are within the capability of forces afloat to accomplish. Funding for both material and installation is provided from TYCOM O&MN or OPN funds, as applicable.

c. **Major End-Item.** Major end-items are equipment(s) of high dollar value and long life which are budgeted and provided by the systems commands such as Civil Engineering Support Equipment (CESE) under the Naval Facilities Engineering Command (NAVFACENGCOM). Requirements for these items will be addressed to the cognizant systems commands.

d. **Test Measuring and Diagnostic Equipment (TMDE).** TMDE encompasses a broad spectrum of items from torque tools to large multi-rack automatic test systems. It includes instruments which are mechanical, electrical and electronic; automatic and manual; and portable, installed in a fixed location or built into a prime system or equipment. TMDE includes those devices used to measure, calibrate, gauge, test, inspect, diagnose, or otherwise examine materials, supplies and equipment to determine compliance with established requirements. TMDE is used in research and development, production, quality evaluation, operational monitoring and maintenance. TMDE is managed by NAVSEASYS COM. Units having a need for this equipment should comply with the NAVSEAINST 9082.1A.

e. **Appropriations Purchases Account (APA) Items.** APA equipment is budgeted by the designated systems command manager and provided without cost to the user. APA items designated by an even COG, will be requisitioned in accordance with applicable supply system directives.

f. **Furniture, Furnishings.** These items, which are detached and mobile, are budgeted and procured from ship's OPTAR.

g. **Oil Pollution Abatement Equipment.** Acquisition and distribution of oil pollution abatement items such as oil containment booms, utility boats, oil skimmer units, vacuum trucks, bilge service sub-systems (coalesce units) and automatic alarms and controls to provide protection against oil spills are managed and budgeted for by COMNAVFACENGCOM in accordance with OPNAVINST 5090.1B. Upon TYCOM approval additional equipment may be procured through

the GSA catalog using O&MN funding. Emergent requirements for pollution abatement equipment may have to be procured out of O&MN with TYCOM approval.

h. **Navy Stock Account (NSA) Material.** NSA material identified by a National Stock Number (NSN) regardless of dollar value, shall be requisitioned through normal supply channels and funded from ship's OPTAR.

i. **Medical/Dental Equipment.** Medical/dental equipment, such as dental chairs, medical X-ray equipment, sterilizer equipment, surgical units and operating tables with a unit value of \$5,000, is centrally managed by Naval Medical Logistics Command (NAVMEDLOGCOM). These items should be budgeted and procured in accordance with CINCLANTFLT/CINCPACFLTINST 4235.7. Medical/dental equipment with unit costs of less than \$5,000 should be budgeted and procured from ship's OPTAR.

j. **Meteorological Equipment.** Requirements are budgeted on a Navy-wide basis by COMNAVAIRSYSCOM.

k. **Shipboard Information, Training and Entertainment (SITE) Closed Circuit TV Systems.** These systems and associated equipment are managed by CNO, Office of Chief of Information, OPNAV Code 007C. Requirements for items of this nature should be submitted via the chain of command. This procedure is used to standardize shipboard equipment. Note: The Chief of Information will support only approved standardized shipboard equipment.

4203. OFSE BUDGETING MANAGEMENT

a. **Budgeting.** OFSE requirements will be submitted in accordance with the OFSE Budget Call from COMSUBLANT/COMSUBPAC. The priorities assigned for multiple equipment requests should be consistent with previous budget call submissions. Should the new requirement be of an emergent nature, the priority and required delivery date should be so indicated. If additional requirements are requested for procurement during the current fiscal year, they must be of an emergent nature and meet the following criteria:

- (1) The equipment is vital to the activity/unit function (i.e., mission essential).
- (2) The existing equipment is either not operational or is operationally deficient (i.e., designed performance cannot be attained).
- (3) The cost to restore existing equipment to satisfactory operating condition is excessive (i.e., repair costs exceed price of new equipment).

b. **Budget Calls.** For COMSUBLANT, the policy and procedures for submission of OPN Budgets and Program Objective Memorandums (POM) will be issued on an as needed basis. In preparation for POM or CINCLANTFLT data calls, OFSE budget inputs will be required at least every January; a follow-up review may also be requested as necessary to update costs, priorities, narratives and impacts if not funded.

For COMSUBPAC, two OFSE budget calls will be issued. The first call, "Program Objective Memorandum (POM) OFSE Budget," will be promulgated in late spring with replies due in mid summer, as part of the overall POM submission for all appropriations and personnel. The purpose of the POM OFSE budget is to solicit the initial input for items required three fiscal years hence (i.e., FY03 requirements will be requested in July 2000). The second call, "OPN BA 7 OFSE Budget," will be promulgated in the winter time-frame with replies due in the spring. The purpose of this budget is to solicit requirements identified for the next full fiscal year, following the current year of execution (budget year) plus the next two out-years. The budget year and next out-year will not be covered by the POM.

Requirements submitted by force units in response to these calls will be screened by the Force Comptroller and forwarded to CINCLANTFLT/PACFLT who incorporates it into the Fleet OFSE Budget sent to CNO.

4204. OFSE PROCUREMENT PROCEDURES

a. **Funding.** CNO grants OPN funds annually to CINCLANTFLT/PACFLT for OFSE based on annual budget submissions. CINCLANTFLT/PACFLT issues an OPN allotment to COMSUBLANT/COMSUBPAC for the procurement of OFSE.

b. **Acquisitions.** OPN funds are centrally managed at the COMSUBLANT/COMSUBPAC staff level. After CINCLANTFLT/CINCPACFLT issues the OPN allotment to COMSUBLANT/COMSUBPAC, funds are sub-allocated to supported units/subordinate commands via official correspondence. This notification will contain the amount of the authorization, the items covered, applicable accounting data and requisition number assigned. No later than five days after funds have been granted, units are required to submit a requisition citing the assigned requisition number and invoice/shipping document (NAVSUP Form 1250-2, 1348-6 or DD1149), along with sole source justification or urgent or compelling statement (if necessary) to the designated supply support activity. Forward a copy to COMSUBLANT/COMSUBPAC, as applicable. Prompt submission of the requisition is important in that COMSUBLANT/COMSUBPAC cannot record the obligation until the contract is issued. If funds are not obligated promptly, they become candidates for recoupment by CINCLANTFLT/CINCPACFLT. Also, OFSE funds are limited and the words "Do not exceed" must be cited in the requisition "Amount" block. Further, include on the requisition the statement "forward copy of all Purchase Order/Contract agreements to (COMSUBLANT/COMSUBPAC Code N4131A), as appropriate." When the contract is received by the activity, review the accounting data and "ship to" address for accuracy. If necessary, return contract to contracting activity for correction. Any funds remaining on authorizations to purchase OFSE requirements automatically revert to COMSUBLANT/COMSUBPAC and are no longer available for use by force units after finalization of procurement actions. The following OFSE equipment requires technical review and approval prior to submission of the requisition:

(1) all information technology requirements (i.e., computers and data/voice communications) must be planned/acquired in accordance with the Life-Cycle Management policy established in COMSUBLANTINST 5231.1 series or COMSUBPACINST 5231.1 series, as

applicable. For COMSUBLANT activities only, budget requirements for information technology equipment submissions must include the applicable Abbreviated Systems Decision Paper (ASDP - for acquisitions \$100,000 or less) or the Mission Element Needs Statement (MENS) and System Decision Paper (SDP) for acquisitions over \$100,000. Either the ASDP or MENS must have been approved by COMSUBLANT/COMSUBPAC Code N6 prior to submission.

(2) print shop and copying equipment

c. **Procurement below threshold.** If an OFSE procurement results in a contract price below the OPN threshold, the requiring unit must **immediately** request the procuring activity initiate an administrative modification changing the funding citation on the contract to O&MN OPTAR funds. The new line of accounting must be provided by message to the procuring activity, copy to COMSUBLANT/COMSUBPAC, as applicable.

d. **Records and Files.** All subordinates will maintain records and files in support of OFSE requirement submissions and acquisition authorization including the following:

(1) Copies of annual call submissions

(2) Copies of additional requirement submissions

(3) Copies of emergent requirement submissions

(4) Fund authorization file, with messages/correspondence from COMSUBLANT/COMSUBPAC authority to requisition

(5) Memorandum OFSE Obligation Log (Requisition log, recording documents by fiscal year). Note, the Memorandum OFSE Log will contain as a minimum, the following columns:

- (a) Requisition number
- (b) Equipment Description
- (c) Funds Authorized
- (d) Unobligated Balance
- (e) Date Equipment Received

(6) All correspondence will be maintained with the applicable records and files.

e. **Cancellations.** Units shall notify COMSUBLANT/COMSUBPAC by letter on an "as occurring basis" of items that are in the budget but are no longer required and should be canceled.

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CHAPTER 3 INDUSTRIAL PLANT EQUIPMENT (IPE)

4301. IPE DEFINITION. Industrial Plant Equipment (IPE) is machine shop/plant equipment with an acquisition cost of \$100,000.00 or more, used for the purpose of cutting, abrading, grinding, shaping, forming, jointing, testing, measuring, heating, treating, or otherwise altering the physical, electrical, or chemical properties of materials, components or end items, involved in manufacturing, maintenance, supply, processing, assembling, or research and development operations. FMR paragraphs 036400-036402 contain additional IPE information and examples of equipment.

4302. IPE BUDGETING PROCEDURES. New procurement items can be submitted at any time during the year with the quarterly inventory updates provided to COMSUBLANT or COMSUBPAC N408. Requests for new procurement will be submitted in digitized form (floppy disc/LAN) via the IPE Management System (IPEMS). A request for new IPE will only be accepted if the new IPE is based on a requirement in the NAVSEA Work Center Requirements Manual (NAVSEA S9810-AA-GTP-010/IMA). All upgrade equipment (labor-saving, etc.) will be submitted for procurement directly by COMSUBLANT/COMSUBPAC N408 however, requests may be submitted for new IPE with identification as "New Technology or Labor Saving." After assigning TYCOM priority numbers to each item, the package is forwarded to CINCLANTFLT/CINCPACFLT who combines submissions from all TYCOMS and forwards to NAVSEA 435.

NOTE: Normal replacement of upgraded general purpose IPE will not be procured for any Fleet activity scheduled for deactivation within two years of the expected delivery date of the equipment. This CINCLANTFLT/CINCPACFLT policy is established in consideration of the shortage of OPN funds available for IPE and in view of the extensive budget and procurement lead times involved. This policy does not apply in those situations where the replacement is to correct a casualty or to replace inoperative equipment.

4303. IPE ACQUISITION. Funding and procurement action is the responsibility of COMSUBLANT/COMSUBPAC N408 via NAVSEA 435 and NAVSEASYS COM Plant Equipment Support Office (PESO). Following CINCLANTFLT/CINCPACFLT's submission to NAVSEA, NAVSEA reviews the requirements to determine what will be funded and then re-prioritizes this list. NAVSEA then forwards to PESO for acquisition. IPE items with a unit cost of less than \$100,000 will be procured by Defense General Supply Center (DGSC) but funded with O&M,N funds from ships OPTAR or the TYCOM. IPE \$100,000 or more will be funded and managed through NAVSEA 435. Status and procurement information will be provided by COMSUBLANT/COMSUBPAC N408 in digitized form to all COMSUBLANT/COMSUBPAC Fleet Maintenance Activities (FMAs) via the IPEMS program. It is imperative that all requests for information be coordinated through COMSUBLANT/COMSUBPAC N408. Prior to submission to CINCLANTFLT/CINCPACFLT all requests will be prioritized in order of need by COMSUBLANT/COMSUBPAC N408.

4304. IPE PROCUREMENT VERSUS REPAIR. IPE procurement will be limited to replacement of equipment, which has reached its service life expectancy. This replacement is

recommended by the activity (via IPEMS) and authorized by COMSUBLANT/COMSUBPAC N408. Replacement IPE will only be approved with TYCOM assessment and DGSC survey directing replacement. Repair of IPE, however, is considered an expense rather than investment and is chargeable to ship's OPTAR (ROV) funds. Repair to IPE will be conducted in lieu of initiating IPE procurement action. For COMSUBLANT activities, assessment/repair is centrally funded at the Comptroller's Office (N4131B). All requests should be addressed, however, to the IPE Program Manager, COMSUBLANT/COMSUBPAC N408 for consideration.

4305. IPE MANAGEMENT SYSTEM (IPEMS). The IPE management system is designed to provide IPE managers at the activity, Type Commander, Fleet Commander and NAVSEA levels with a cost effective, standardized technique to create and maintain an inventory and history file of IPE, evaluate the replacement needs, prioritize replacement requests based upon urgency of need and mission. It assists IPE managers in preparing equipment status and Plant Equipment Projects (PEP's) for submission. The electronic data transfer feature of the system provides cost savings and accuracy in maintaining IPE inventories by improving communications between activities, Type Commanders, Fleet Commanders and NAVSEA. Each quarter activities (FMA's) will submit inventory and inventory updates to COMSUBLANT/COMSUBPAC N408 which should include:

- a. Listing of IPE using the IPEMS software.
- b. Status of IPE, to include DGSC repairs, lack of support equipment, listing of on-board support equipment, any pertinent remarks from IPE manager and future replacement information.
- c. Updates to inventory listing all changes that include, receipts, idle IPE, DGSC surveys and repairs.

COMSUBLANT/COMSUBPAC will provide update information on NAVSEA procurement action upon request from activities. The IPEMS input will be the only upline reporting requirement to COMSUBLANT. Future development of software will enhance this electronic reporting system.

CHAPTER 4 PHYSICAL SECURITY

4401. PHYSICAL SECURITY DEFINITION. Physical security OPN equipment are investment items having a unit value of \$100,000.00 or more and are to be used for the physical security of COMSUBLANT/COMSUBPAC personnel, units, or shore facilities.

4402. PHYSICAL SECURITY EQUIPMENT BUDGETING PROCEDURES. Physical security OPN equipment funds are centrally managed at the CNO level. Funds are passed down the chain of command directly citing specific requirements for specific activities. Budget calls for physical security OPN equipment usually occur during the O&MN budget cycle. Requirements are screened and prioritized by the Force Physical Security/Law Enforcement Officer (COMSUBLANT N95, or COMSUBPAC N75, as appropriate) prior to submitting to CINCLANTFLT/CINCPACFLT.

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SECTION 5: MANAGEMENT OF SPECIAL PURPOSE FUNDS**CHAPTER 1 OFFICIAL REPRESENTATION FUNDS**

5101	General
5102	Jurisdiction
5103	Request for Funds
5104	Limitations
5105	Mementos
5106	Pre-purchase of Supplies and Mementos
5107	Commissioning of Ships
5108	Reimbursement
5109	Ratio of Non-DOD Attendees
5110	Voucher Preparation
5111	Approving Official

CHAPTER 2 LATIN AMERICAN COOPERATION FUNDS

5201	General
5202	Exception
5203	Request for Funds

**CHAPTER 3 EXTERNAL PUBLIC AFFAIRS/OVERSEAS NAVY RELATIONS
(COMMUNITY RELATIONS) PROGRAM FUNDS**

5301	External Public Affairs
5302	Overseas Navy Relations (ONR) (Community Relations) Funds
5303	Request for Funds
5304	Exception

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SECTION 5**MANAGEMENT OF SPECIAL PURPOSE FUNDS****CHAPTER 1 OFFICIAL REPRESENTATION FUNDS**

5101. GENERAL. COMSUBLANT/COMSUBPAC receive allocations to extend normal courtesies to high ranking officials and foster country-to-country relations as specified herein. The three main categories of special purpose funds are Official Representation (ORF), Latin American Cooperation (LATAM COOP - COMSUBLANT only) and External Public Affairs/Overseas Community Relations (EXPAO/OCR) funds. Utmost caution and judgment must be used with respect to expenditure of these funds. All regulations and restrictions must be carefully observed. A determination of invalid funds use at the TYCOM, Major Claimant, CNO, or SECNAV level may require repayment from personal funds. Whenever questionable circumstances regarding proper use arise, recommend request advance determination from COMSUBLANT/COMSUBPAC. This section covers only ORF. ORF funds are used to maintain the standing and prestige of the United States by extending official courtesies in other than Latin America (see paragraph 5201). They support functions honoring individuals rather than events such as:

- a. Distinguished citizens, military officers and government officials of foreign countries.
- b. Prominent federal (non-DOD), state and local government officials.
- c. Distinguished and prominent citizens who have made a substantial contribution to the nation or DOD or who are recognized leaders in their fields of expertise and on certain occasions members of the news media.
- d. Specifically delineated high ranking DOD military and civilian officials on official visits outside the Washington, D.C. area.
- e. Military and civilian personnel associated with a foreign warship visit information program on official visits to United States ports or official visits of United States naval vessels to foreign ports.

5102. JURISDICTION. Operating forces will normally request funding of specific ORF functions from the operational commander to whom they will report at the time of the function, or from a tasking type commander or naval base when not deployed with an operational command. For example, commands would request ORF from COMSIXTHFLT while under CINCUSNAVEUR operational control, from a Naval Base when hosting a foreign ship visit in CONUS and from type commanders when hosting other functions.

5103. REQUEST FOR FUNDS. Refer to COMSUBLANTINST 7042.3 series or COMSUBPACINST 7042 series, as applicable. COMSUBLANT will provide authorizations for

planned events when specifically asked by the subordinate unit and approved by COMSUBLANT N413. COMSUBPAC Groups and Squadrons will be provided a sub-allotment of ORF annually.

5104. LIMITATIONS. The two categories of expenses are official entertainment and the presentation of mementos. The following specific limitations apply:

- a. ORF may not be used to pay expenses that are legally chargeable to another appropriation.
- b. ORF will not be used to pay expenses that could bring embarrassment or adverse criticism to any Navy official.
- c. Mementos will not be presented to any DOD personnel or their spouses.

5105. MEMENTOS. Gifts or mementos of a command or official theme and costing no more than \$245 may be presented at official ceremonies or functions. Mementos are common tokens of courtesy usually exchanged when dealing with foreign dignitaries but may also be presented to non-DOD U.S. officials depending on the occasion and the level of office held. Typically, mementos are command items such as plaques, pens, books, command/ship ball-caps and other items with an official logo that cannot be misconstrued as a personal gift. Personal gifts such as sports equipment, tee shirts, golf shirts, flight jackets, uniforms, scarves, ties, belt buckles, alcohol, tobacco, flowers and other items that, by their nature, are considered personal MAY NOT be purchased under the ORF program. If a memento is engraved, the inscription will include the words "Presented on behalf of the United States (or Department of the Navy)" preceding the name and title of the presenting official or command. Mementos not suitable for engraving must be clearly identifiable with a command and should be presented under accompanying letter or card on behalf of the Navy. Items, which cannot be easily identified as a command memento, will **not** be purchased. Of major importance is the appearance of propriety.

5106. PRE-PURCHASE OF SUPPLIES AND MEMENTOS. Pre-purchase of supplies and mementos in anticipation of specific functions may be authorized by the TYCOM provided all other alternatives to meet pending requirements have been exhausted. Supplies and mementos available locally from Navy Working Capital Fund assets should be purchased only on an as-required basis. Pre-purchased items must be used in the fiscal year purchased unless prior approval has been received from CINCLANTFLT/CINCPACFLT. A meticulous audit trail must be maintained for pre-purchased items. Voucher preparation and documentation are discussed below.

5107. COMMISSIONING OF SHIPS. The use of ORF to defray costs of a reception incident to the commissioning of a ship must be approved by SECNAV. Requests should be submitted well in advance via the cognizant naval base commander, CINCLANTFLT/CINCPACFLT (N02F1), CNO (OP-09B23) and the AAUSN. The written request should state the total number of guests invited to the reception, the number of non-DOD guests (note that spouses of military personnel and DOD civilian employees are counted as DOD personnel), the anticipated number of guests qualifying as non-DOD dignitaries and the estimated total cost of the reception (or the

estimated cost per person). Include a command point of contact and commercial telephone number. After SECNAV approval, funds will be provided via the sponsoring naval base for further direct cite to the pre-commissioning unit commanding officer.

5108. REIMBURSEMENT. Approval and funding must be obtained from COMSUBLANT Code N413 or COMSUBPAC Code 001/413 and prior to hosting an event or presenting a memento in accordance with COMSUBLANTINST 7042.3 series or COMSUBPACINST 7042 series, as applicable. Local payment by disbursing officers is authorized.

5109. RATIO OF NON-DOD ATTENDEES. When attendance is less than 30 persons, at least 20% must be non-DOD guests; at functions of 30 persons or more, at least 50% must be non-DOD guests. Ensure this ratio is strictly adhered to. Waivers can be requested but are rarely granted. When the requirement cannot be met, ORF may be used only to the extent the costs of the non-DOD guests can be prorated from the total costs of the function. Vouchers will show any collections made from DOD personnel or personal funds used toward the total costs. Compliance to ratio percentages is reviewed at every level (COMSUBLANT/COMSUBPAC, CINCLANTFLT/CINCPACFLT, SECNAV, etc.). If ratios are not adhered to, the amount due WILL BE collected from the hosting activity.

5110. VOUCHER PREPARATION. Vouchers must be prepared strictly in accordance with guidance provided in COMSUBLANTINST 7042.3 series or COMSUBPACINST 7042 series, as applicable. The accounting classification will be provided with request approval. Each ORF expenditure is documented by the approving official on a Voucher for Disbursement and/or Collection (NAVCOMPT Form 2277). Any other vouchers used to effect payments or transfers of funds are considered supporting documentation and will be cited on the NAVCOMPT Form 2277 and submitted as enclosures. Two copies of the paid NAVCOMPT Form 2277 with legible approving official's signature (original signature recommended) plus two copies of all supporting documentation will be submitted to COMSUBLANT (N4131)/COMSUBPAC (N41314), as applicable via the chain of command. Vouchers must be received no later than 60 days after function takes place. If deployment prevents on time reporting, notification to TYCOM is required. Supporting documentation must include:

a. **Guest Lists.** Two copies of a list of all guests will be submitted to COMSUBLANT or COMSUBPAC with vouchers, to include name, rank or civilian title and organization or official affiliation. DOD attendees and their spouses should be listed separately and personal funds collected to offset total expenses reflected on this list if applicable. Except for readily identifiable military ranks, do not use abbreviations on guest lists.

b. **Contracts and Other Expenditure Forms.** If expenditure or payment is made by other than NAVCOMPT Form 2277, a copy of the document will be attached to each copy of the NAVCOMPT Form 2277. Examples: DD Form 1348 or DD Form 1149 used for the procurement of Navy Stock Fund assets; DD Form 1155 used for the pre-purchase of mementos; receipts for expenses made from personal funds and reimbursed using NAVCOMPT Form 2277. For COMSUBPAC activities only, use of SF1034 Public Voucher for Purchases and Services other than personal may be used in place of NAVCOMPT Form 2277.

c. **Reporting Requirements.** The OPTAR grant holder must submit the monthly obligation status report on or before the 27th of each month for the month being reported. A negative response is required for COMSUBPAC subordinates.

5111. APPROVING OFFICIAL. Only the Commanding Officer of a ship or submarine, Commander of a Submarine Squadron or Group, or Commander Submarine Force are authorized to approve vouchers. Signing "by direction" is not authorized.

CHAPTER 2 LATIN AMERICAN COOPERATION FUNDS (COMSUBLANT only)

5201. GENERAL. Similar to ORF, Latin American Cooperation (LATAM CO-OP) funds are used to further the standing and prestige of the United States and the U.S. Navy but as extended only to Latin American countries. Latin America is defined as South and Central America, the Lesser and Greater Antilles Islands and all Caribbean Islands excluding the U.S. Virgin Islands, Puerto Rico and Bermuda. LATAM CO-OP funds may be used to finance:

a. Official travel and subsistence for official United States Navy representatives to and from Latin American countries when the purpose of that travel is to foster cooperation with those countries.

b. Official travel and subsistence of certain distinguished Latin Americans in the United States.

c. Official functions and courtesies in keeping with United States and Latin American customs. Official functions and courtesies include honoring distinguished Latin Americans at receptions, luncheons, etc.; visits to U.S. ports by Latin American naval vessels; purchases of mementos (less than \$100 dollars in value) and items in connection with official ceremonies, dedications and functions. LATAM CO-OP Funds may not be used to purchase mementos for Department of Defense (DOD) personnel. Expenses for items of a personal nature, those, which tend to circumvent or supplement other specific provisions of law or those solely for entertainment of officials of the United States, will not be approved. LATAM CO-OP funds shall not be used to pay for normal mission responsibilities or to procure materials or services which may be charged to other Navy funds. SECNAVINST 7042 series provides detailed guidelines on use of LATAM CO-OP funds. Of particular note is the requirement to maintain the same ratio specified in paragraph 5109 for guests at official functions to ensure LATAM CO-OP funds applicability.

5202. EXCEPTION. LATAM CO-OP funds should not be requested from COMSUBLANT when required in conjunction with entertainment functions related to UNITAS. Commander, South Atlantic (COMSOLANT) receives funding to support this exercise and funding requirements should be addressed to them.

5203. REQUEST FOR FUNDS. All other rules and regulations for LATAM CO-OP funds are the same as Official Representation Funds (Chapter One).

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CHAPTER 3 EXTERNAL PUBLIC AFFAIRS/OVERSEAS NAVY RELATIONS (COMMUNITY RELATIONS) PROGRAM FUNDS

5301. EXTERNAL PUBLIC AFFAIRS. EXPAO funds are provided to cover costs for establishing good community relations. Public affairs functions may include public displays, base bus tours, media escorts, etc. The following costs, if directly related to the performance of external affairs functions, are chargeable to external public affairs funds:

a. Civilian salaries of employees, materials, supplies and services directly related to external public affairs with the media and public. Public Affairs Officers should have media escort expenses funded from external public affairs funds.

b. Cameras, projectors and related equipment (with a unit cost less than the current OPN threshold) and supplies.

c. Selected subscriptions to publications, periodicals and brochures used as handouts (not for internal command use) to enhance the public affairs of the Navy and to obtain better public affairs enhancement ideas.

d. Miscellaneous charges such as printing or reproduction of brochures and pamphlets, news services and display material. Other miscellaneous charges such as fireworks, food or refreshments, change of command ceremonies and membership dues are not chargeable to external public affairs funds.

e. Travel not mission-related but directly performed for external public affairs functions. For example, Commanding Officers of Atlantic/Pacific Fleet units invited to participate in community related public affairs functions in namesake cities may request funding for travel/lodging expenses from their TYCOM. Administrative travel for attendance at workshops, conferences, etc., is not considered appropriate for external public affairs funds.

f. Inexpensive souvenirs with Navy or command theme such as ship photos, bumper stickers, command patches, pennants, balloons, postcards, pens, pencils, etc. for dispensing to the general public at special events (i.e., Armed Forces Day, Fleet Week, Navy Day, etc.). Funds for this purpose are extremely limited and expenditures are carefully audited. O&MN funds from other than EXPAO are **NOT** authorized for such expenses.

5302. OVERSEAS NAVY RELATIONS (ONR) (COMMUNITY RELATIONS) FUNDS.

ONR funds are to conduct community relations programs designed to promote understanding and cooperation between the United States, United States Navy, U.S. Atlantic/Pacific Fleet and the people of the countries where Atlantic/Pacific Fleet units are based or conduct port visits. The ONR program is intended to reach the civilian population of a country rather than officials and dignitaries. ONR Funds may pay for: light refreshments for organized groups on orientation visits to ships or stations; inexpensive mementos and souvenirs; toys, textbooks, or services for institutions; and athletic equipment for donation to community organizations.

CINCLANTFLT/CINCPACFLT ONR funds may be used only in pursuit of the Overseas Community Relations Program within the CINCLANTFLT/CINCPACFLT area of command.

NOTE: These funds should not be used for entertainment of high ranking visitors or the purchase of mementos, plaques, etc., for presentation to high ranking personnel.

5303. REQUEST FOR FUNDS. COMSUBLANT (N02P)/COMSUBPAC (00P) Public Affairs Officer is the program manager for EXPAO/ONR. All requests should be directed to them. Once approved, COMSUBLANT (N4131)/COMSUBPAC (N41316) will provide the applicable accounting data to be cited on the expenditure document and reporting instructions.

5304. EXCEPTION. Requests for funds to support overseas community relations endeavors outside the CINCLANTFLT/CINCPACFLT area of command should be submitted to the appropriate command which coordinates the overseas community relations program in the specified area (e.g., COMSIXTHFLT for the Mediterranean).

SECTION 6: SPECIAL INTEREST AREAS**CHAPTER 1 CONSULTING SERVICES (CS)**

6101 Definition
 6102 Use

CHAPTER 2 TRANSPORTATION

6201 Vehicles Transportation
 6202 Material Transportation

CHAPTER 3 OFFICIAL CEREMONIES

6301 Change of Command Ceremonies
 6302 Commissioning Ceremonies
 6303 Deactivation/Decommissioning Ceremonies
 6304 Retirement Ceremonies
 6305 Refreshments at Ceremonial Functions

CHAPTER 4 EMBLEMATICS

6401 Command Plaques and Other Emblematic Items

CHAPTER 5 ADMINISTRATION OF APPROPRIATIONS AFTER PERIOD OF AVAILABILITY

6501 General
 6502 Period of Accountability
 6503 Costs Chargeable to Prior Years

CHAPTER 6 NEW CONSTRUCTION FUNDING

6601 General
 6602 Pre-Commissioning Operating Expenses
 6603 Post-Commissioning Operating Expenses
 6604 Procurement of Equipage/Equipment and Operating Space Items (OSI)
 Items
 6605 Commissioning Ceremony Expenses
 6606 Travel Expenditures
 6607 Equipment Replacement, Post Delivery
 6608 Additional Requirements

CHAPTER 7 UNIQUE SPENDING SITUATIONS

6701	Ombudsman
6702	Tuition
6703	Commercial Periodicals
6704	Commercial Warehouse/Storage
6705	Relocatable Buildings
6706	Small Arms Ammunition
6707	Supplies and Services Provided to Foreign Countries
6708	Demurrage Charges
6709	Seasonal Decorations
6710	Hazardous Waste/Hazardous Material Disposal
6711	Shore Patrol Requirements
6712	DOD Activity Address Codes (DODAAC)
6713	CIVPERS Labor Costs for Afloat Activities
6714	Community Service Program (Adopt-a-School)
6715	Civilian Permanent Change of Station (PCS)
6716	Official Mail Costs
6717	Cellular Telephone Policy
6718	Rental and Lease-Type Annual Contracts when Performance Extends Beyond 30 September
6719	Common-Support to MWR
6720	Payment of Conference Fees
6721	Damage of Property from one Service Branch to Another
6722	Lodging
6723	Purchase Card Guidance
6724	Business Card Guidance

SECTION 6**SPENDING GUIDELINES/LIMITATIONS****CHAPTER 1 CONSULTING SERVICES**

6101. DEFINITION. Consulting Services are advisory and assistance services acquired by contract from non-governmental sources to support and improve organization policy development, decision making, management and administration; support programs for project management and administration; provide management and support services for research and development (R&D) activities; provide engineering and technical support services; or improve the effectiveness of management processes or procedures. The products of Consulting Services may take the form of information, advice, opinions, alternatives, analyses, evaluations, recommendations, training and technical support.

6102. USE. Consulting Services are only to be procured when essential to the Navy mission and equivalent services are not readily available. However, Consulting Services will not be used to bypass or undermine personnel ceilings, pay limitations, or competitive employment services. Prior approval for Consulting Services must be obtained by COMSUBLANT/COMSUBPAC from CINCLANTFLT/CINCPACFLT. Contracts exempt from Consulting Services are: Commercial Activities program, security assistance, architecture and engineering services for facilities construction, automated data processing and contract effort properly incurred/charged to revolving funds. A well justified request for services must be submitted to COMSUBLANT/COMSUBPAC prior to procurement. SECNAVINST 4200.31 series applies.

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CHAPTER 2 TRANSPORTATION AND LODGING

6201. VEHICLE TRANSPORTATION. CINCLANTFLTINST 11240.3 series (for LANTFLT activities) and CINCPACFLTINST 11200.3 series (for PACFLT activities) are the governing instructions for vehicle support for ships and afloat commands. Vehicle support is primarily provided from vehicle service pools. Commanders/Commanding Officers are responsible for designating an officer, in writing, to serve as transportation coordinator and for providing copies of the letter to the shore activities with designated vehicle service pools when vehicle support is requested. In non-Navy ports, arrangements with a nearby military activity, GSA, or commercial agency, in that order, will be made for vehicle support. The following is a list of the maximum number of class "B" (a vehicle assigned on a regular or continuous basis for the conduct of official business) assignments:

<u>SHIP TYPE</u>	<u>PICKUP</u>	<u>CARRYALL</u>	<u>OTHER</u>
AS	3	1	1 - Stake Truck (Note 1)
ASR	1		
SSN	1		
SSBN	1		
COMSUBRON (Note 6)	2	1	1 - SEDAN
COMSUBGRU (Note 6)	1	1	1 - SEDAN (Note 2)

- NOTES:** (1) 0-6 Commanding Officers of any class ship are authorized a sedan from the vehicle service pool in addition to the equipment above.
- (2) Ships undergoing repair/overhauls at private or Navy shipyards may be authorized vehicles in addition to the equipment listed above, according to the requirements during repair/overhaul.
- (3) Due to high costs involved commercial vehicle rental is to be used as a last resort. Short-term vehicle rental to satisfy peak workloads, unusual demand, or emergency situations is authorized.
- (4) An equivalent vehicle, as required/available, may be substituted for the specific types listed above.
- (5) Bus rental is authorized for command sponsored events.
- (6) Allowances by individual COMSUBPAC Group/Squadron are listed in CINCPACFLTINST 11200.3 series.

a. **Funding.** COMSUBLANT units pay for all vehicle rentals from OPTAR funds. COMSUBPAC units located at PACFLT ports are only required to pay for vehicles above authorized allowances. When paid from OPTAR funds, rental of passenger carrying vehicles is charged to fund code _D. Rental of vehicles for the primary purpose of transporting material is charged to fund code _U. This distinction is important because fund code _D charges statistically

transfer in the accounting system as a TAD charge, thereby reducing the amount of Force TAD funds available. Insurance for collision/damage waiver and personal accident coverage is not authorized, as the government is considered self-insured. However, the cost of buying insurance per JFTR U3415 (e.g. Collision Damage Waiver (CDW) Adjustment, Theft Protection, etc.) is reimbursable if such insurance is required by the rental agency to provide full coverage insurance only when renting an automobile outside the United States (includes the 50 states, District of Columbia, Puerto Rico, territories and possessions of the United States). Commands utilizing government vehicles provided by a non-Navy Working Capital Fund activity shall not pay for vehicle damage. The non-NWCF is tasked to pay for vehicular damage. Vehicular damage charges should only be paid from OPTAR funds when the vehicles are provided from a NWCF activity (i.e., a Public Works Center) or a commercial vendor. Payment in those cases is authorized unless it was determined by a follow-on investigation that the individual was personally liable because he/she was not acting within the scope of employment (i.e., found guilty of driving while under the influence of alcohol.)

b. **Official Use of Vehicles.** The use of all Navy-owned and controlled motor vehicles shall be restricted to official purposes only. The term "official purposes" means that travel must be performed by a person in his official capacity as an officer or employee. This precludes use of Government vehicles for personal use. The purpose of the trip must be related to the performance of official duties or in connection with activities conducted under official authorization. Transportation support of groups may be provided for activity-approved Morale, Welfare and Recreation (MWR) programs, i.e., athletic teams and the Chaplain's programs, when it has been determined by the responsible commander that failure to provide such service would have an adverse effect on the morale of the service personnel. At naval activities where commercial transportation services are not available, or are inadequate for transporting liberty personnel, activity Commanding Officers may inaugurate liberty bus service using appropriated funds. Liberty bus facilities that in any way parallel or compete with common carriers are not to be authorized unless the carriers provide the activity Commanding Officer with a letter indicating an unwillingness, disinterest, or inability to provide adequate service necessary to satisfy the requirements. Liberty bus service shall not be established in lieu of fare-charging group transportation services, nor used to transport civilians or military dependents.

c. **Short Term Leases of Vehicles for Special Ceremonies.** In order to justify the use of appropriated funds for items to support a change of command, there must be a direct connection between the item and the event and the item must be essential to carrying out of the event. Government use of leased vehicle transportation is authorized only for change of command participants. Local transportation costs for commissioning ceremonies and launching and keel laying ceremonies are properly chargeable to commissioning funds (i.e., Shipbuilding and Conversion, Navy-SCN). Limousines are not authorized for use within the Department of Defense. The use of large sedans are authorized only for the DOD officials listed below and for visiting officials of comparable rank from foreign countries:

- (1) The Secretary of Defense
- (2) The Deputy Secretary of Defense

(3) The Secretaries of the Army, Navy and Air Force

(4) The Chairman, Joint Chiefs of Staff

(5) The Chiefs of Staff of the Army and Air Force, Chief of Naval Operations and Commandant of the Marine Corps.

Passenger sedans acquired for use by the Under Secretaries of Defense, four-star commanders outside the National Capital Region (NCR) may be compact, mid-size, or large. The following officials are authorized use of passenger sedans for those occasions upon which they determine this transportation to be essential to the successful accomplishment of their duties for that day, but not on a daily or routine basis: the Assistant Secretaries of Defense and the General Counsel of the Department of Defense; the Under Secretaries of the Army, Navy and Air Force; the Vice Chiefs of Staff of the Army and Air Force, the Vice Chief of Naval Operations, the Assistant Commandant of the Marine Corps; the Assistant Secretaries Army, Navy and Air Force; the Commander, Army Material Development and Readiness Command; the Chief, Naval Material; the Commander, Air Force Systems Command; chauffeur-driven, four-star commanders outside the NCR; and the Director, Joint Staff. Senators and Congressmen are also authorized use of large sedans for official functions.

6202. MATERIAL TRANSPORTATION

a. **TAC Usage.** DOD 4500.32-R, Chapter 7 and CINCLANTFLTINST 7312.1 series provide detailed guidance regarding the use of TACs. This advisory summarizes/clarifies the use of TACs by COMSUBLANT/COMSUBPAC activities for various categories of material shipments. Note that each TAC corresponds to a unique line of accounting. Funding to support TYCOM TACs identified in the following paragraphs are centrally managed at COMSUBLANT/COMSUBPAC. Use of these or other TACs will NOT result in an OPTAR charge for the subordinate afloat activity. Subordinate shore activities (i.e., TRIREFFAC Kings Bay, NAVIMFAC PACNORWEST, NAVSUBSUPPFAC, NAVSUBTORPFAC and COMUNDERSEASURV) must establish their own unique line of accounting and funding to support usage of their assigned TACs.

b. **First Destination Transportation (FDT).** FDT is that transportation required for the delivery of material from a procurement source (commercial vendor) to the first point of use or storage for subsequent distribution within the supply system. FDT for stock numbered material is financed by COMNAVSUPSYSCOM citing TACs provided in DOD 4500.32-R, Section B-1(a) for logistics material and Section B-2(a) for Navy Working Capital Fund material. These TACs, however, will not be used when the shipment is Free-on-Board (FOB) destination. This classification indicates that transportation costs are included in the quoted price; no TAC is required. For open purchase requisitions, FDT should be negotiated between vendor and customer. If payment of FDT is required, it should be included as part of the contract price.

c. **Second Destination Transportation (SDT).** SDT is the subsequent distribution of material within the supply system after the completion of first destination. The following

examples of SDT and charging methodology are provided. Charges include those for port handling, freight cartage and other costs incurred incident to shipment of property.

(1) Stores Account Material. The applicable inventory manager funds transportation of all stores account material. TACs are provided in DOD 4500.32-R, Section B-1(b) for both logistics and for Navy Working Capital Fund material. This could include transportation of material from the ICP to the customer, or material that is shipped to the customer and returned as not accepted, as well as redistribution of stock fund material from a SUADPS-207 inventory. The latter includes SUADPS-207 Material Turned In to Stores (MTIS). It does not include the transportation of material that is held as end use.

(2) Organic Material Transportation. Transportation of all organic (fleet-owned) material will be funded by the TYCOM. For COMSUBLANT the use of TAC N096 is authorized for use by headquarters and subordinate afloat commands. For COMSUBPAC, the use of TAC N12S is authorized for use by headquarters and subordinate afloat commands. Subordinate shore activities (TRIREFAC Kings Bay, NAVIMFAC PACNORWEST, NAVSUBSUPPFAC, NAVSUBTORPFAC and COMUNDERSEASURV) will use their own TACs for such material movement.

(3) Household Goods. Authorized movements of Household Goods (HHG) and Privately Owned Vehicles (POVs) of civilian personnel incident to Permanent Change of Station (PCS) and shipments of personal baggage of military personnel incident to temporary duty will be funded by the gaining activity unless otherwise directed. For COMSUBLANT the use of TAC N096 for its headquarters and subordinate afloat commands is authorized. For COMSUBPAC the use of TAC N12S for its headquarters and subordinate afloat commands is authorized. Subordinate shore activities (TRIREFAC Kings Bay, NAVIMFAC PACNORWEST, NAVSUBSUPPFAC, NAVSUBTORPFAC and COMUNDERSEASURV) will use their own TACs or individually obligated document numbers as appropriate. Movement of HHGs of military personnel, incident to Navy Military Personnel Command directed PCS related travel, is funded from the Military Personnel, Navy (MPN) appropriation.

(4) Mine Countermeasure Equipment and Material. Costs of moving fleet-owned mine countermeasure equipment and material will be budgeted for and funded by COMNAVAIRLANT.

(5) Excess Material. Shipments of excess material that is or will be reported on Defense Logistic Services Center and General Services Administration lists will be charged to the TAC that would normally be assigned for a similar FDT item (see 6602). Note that all movement of MTIS material is properly chargeable to the applicable inventory manager, using TACs provided in DOD 4500.32.

(6) Special Assignment Airlift Mission (SAAM). A SAAM requested via NAVMTO for the movement of SDT stores account material (not fleet-owned) is the funding responsibility of COMNAVSUPSYSCOM. Movement of personnel or organic material using a SAAM incident to relocation or rotation deployment will be approved and assigned only by

COMSUBLANT/COMSUBPAC N41, as required. Emergency cargo SAAMS (those required within 24 hours) of fleet directed missions are the funding responsibility of CINCLANTFLT/CINCPACFLT.

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CHAPTER 3 OFFICIAL CEREMONIES

6301. CHANGE OF COMMAND CEREMONIES. Change of Command ceremonies are generally of local interest only. Expenditure of appropriated funds should therefore be minimal and limited to those necessary for invitations and conducting the official ceremony. In order to justify the use of appropriated funds for items to support a change of command, there must be (1) a direct connection between the item and event and (2) the item must be essential to the carrying out of the event. It is not possible to develop a comprehensive list of what is considered an appropriate purchase for change of command, however, a partial list of prior rulings follows:

a. Official announcements of Change of Command Ceremonies may be mailed using appropriated (i.e., OPTAR) fund postage. The location and time of a related reception immediately following the change of command may be noted if it does not result in any increase in the cost to the government and the notation does not include advertisement for or endorsement of any enterprise (OPNAVINST 5218 series).

b. Invitations with indicia to a social function funded by Official Representation Funds are authorized (SECNAVINST 7042 series, OPNAVINST 5218 series).

c. Binding on printed matter should be functional rather than ornamental. Tassels are considered ornamental and therefore should not be used (CINCLANTFLT Decision).

d. Motor vehicles may be leased on a short-term basis to satisfy temporary peak workload and/or unusual requirements without regard to established allowances. Government or leased vehicle transportation is authorized only for change of command participants (DOD 4500 series).

e. Transportation of government material in government vehicles must not exceed a distance of 100 miles (OPNAVINST 11240 series).

f. Food and beverages coincidental to receptions are funded by the principals recognized by the change of command unless authority for the use of Official Representation Funds has been authorized (SECNAVINST 7042 series).

g. Preparation of change of command site is authorized provided the refurbishing and preservation is considered essential and is in accordance with scheduled maintenance and operations. Platform bunting, speakers, chairs, platforms, or tents determined as essential to the ceremony are permitted. The rental of plants and other such decorations are not authorized (Decisions of Comptroller General; Files B-163764, B-184306 and B-202057).

h. Expenditure of funds necessary to pay for the installation and removal of items such as previously obtained/purchased bunting is allowable providing that the material is on hand and was not being purchased for the sole purpose of a change of command (NAVCOMPT Office of Counsel Code NCC 1 Jan 84).

i. Distinguished visitors, Code 4 or above and priority missions may be assigned dedicated aircraft to operate at the discretion of the senior official or requestor. Transportation for dependents in fleet Direct Support Airlift aircraft in CONUS is not authorized without CNO approval (COMNAVAIRLANT 4630 series).

j. If a band is desired, a local Navy band should be used whenever possible. Transportation for the band is authorized (COMSUBLANT Decision).

6302. COMMISSIONING CEREMONIES. Commissioning funds are generated by the Naval Sea Systems Command via an order for work and services (NAVCOMPT Form 2275) under the appropriation Shipbuilding and Conversion, Navy (SCN). These funds are granted to the activity responsible for the commissioning ceremony at a naval shipyard, or a project directive is granted to execute a change to the construction contract for a specific ship's estimated commissioning ceremony costs at a private shipyard. The accounting data on this agreement shall indicate cost category 827. NAVSEAINST 7303.3 series and COMSUBLANTINST 5060 series apply. Both instructions are applicable to both LANTFLT/PACFLT units. If Official Representation Funds (ORF) are required for reimbursement of receptions, special gifts, etc., contact COMSUBLANT (Code N413) or COMSUBPAC (Code 001), as applicable in conjunction with SECNAVINST 7042 series.

Costs chargeable to commissioning funds:

- Work and services necessary to commission the ship, such as assembly platform, speakers, seating, etc.
- Expenses such as music, floral decorations, local transportation, invitations, programs. (All these expenses should be reasonable, prudent and kept to a minimum).
- Miscellaneous charges, such as gas for vehicles, tolls, telephones.
- Commemorative items of a utilitarian nature, such as ash trays and napkin rings, provided the items are to be retained for shipboard use.

Costs not chargeable to commissioning funds:

- Expenses that are personal in nature, such as gifts for speakers, corsages, luncheons, etc.
- Furniture or furnishings, such as rugs, desks, chairs, etc., (charge to the SCN outfit supply allotment when on the ship's allowance list).
- Recreational material, such as televisions, books, fishing kits, etc.
- Travel expenses.

6303. DEACTIVATION/DECOMMISSIONING CEREMONIES. Refer to guidance for Change of Command ceremonies.

6304. RETIREMENT CEREMONIES. In accordance with SECNAVINST 5603.2 series, appropriated/OPTAR funds can be used for printing invitations to retirement ceremonies of military (not civilian) members, provided the printing request is signed for by the activity officer-

in-charge or other designated activity representative. This signature will attest to the fact that the retirement ceremony is considered an official command event.

6305. REFRESHMENTS AT CEREMONIAL FUNCTIONS. Refreshments served at Changes of Command, building dedications, command milestones, promotions, retirements, reenlistment ceremonies, etc., are generally not chargeable to appropriated funds. Relative to official ceremonies, SECNAVINST 5720 series provides that appropriated funds are only authorized for "essential costs" incident to the ceremony itself. Costs related to the reception are not considered essential and therefore cannot be supported with appropriated funds. The adage "federal employees do not eat from the public trough" is applicable, however the following provides two specific cases where appropriated funds **may** be used for internal command celebrations. Guest speakers for these functions may also be funded using appropriated dollars. The Deputy Secretary of Defense memorandum dated 06 January 1995 allows for modest honorariums or fees up to \$500.00 to persons whose services have been acquired for these purposes. Fees, which exceed \$500.00, must be formally approved by COMSUBLANT/COMSUBPAC prior to the function.

a. **Ethnic observations.** Navy organizations are permitted to expend appropriated funds, as authorized, to carry out activities designed to recognize the contributions that minorities have made to society under the authority of Comptroller General Decision B199387 of 23 March 1982. The Navy observes, for example, National Hispanic Heritage Week. Small "samples" of ethnic foods prepared and served during a formal ethnic awareness program may be purchased with appropriated funds. The samples should be of minimal proportions and are not intended to serve as meals or refreshments.

b. **Refreshments at award ceremonies for military and civilian employees.** The Federal Personnel Manual (Chapter 451) states that it may be appropriate under authority of 5 U.S. Code 4503 to provide refreshments for civilian award ceremonies. But, the cost of light refreshments for personnel whose salaries are paid from non-appropriated funds will only be charged to non-appropriated funds. Similar authority is provided for military personnel under 10 U.S. Code 1124 which states "... and incur necessary expenses for the honorary recognition of a member of the armed forces under his jurisdiction who by his suggestion, invention, or scientific achievement contributes to the efficiency, economy, or other improvement of operations or programs relating to the armed forces."

If a situation meets these criteria (according to NAVSUP P-486, paragraph 2503) commands should purchase the food items required for the ceremonial event through Navy resale outlets or commercial sources. When these sources are not available or adequate, prepared food products may be purchased from the general mess (i.e., galley). However, the use of Military Personnel, Navy (MPN) subsistence funds to defray the cost of the food items is not authorized. Also, the general mess may support these purchase requests only if adequate personnel and facilities exist to support the additional workload.

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CHAPTER 4 EMBLEMATICS

6401. COMMAND PLAQUES AND OTHER EMBLEMATIC ITEMS. OPTAR (appropriated funds for shore activities) may be used to purchase medals, plaques, trophies, badges, command coins or similar devices for civilian or military members or units in recognition of achievement, special accomplishment or superior professional performance. Merchandise awards such as pens, lighters, shadow boxes and caps are not considered "similar devices." Note that superior professional performance for civilians is limited to Navy Meritorious/Superior or Distinguished Civilian Service Awards and not simply due to receipt of an annual Outstanding Performance Rating. Comparable awards for military personnel that would warrant a command plaque are the Navy Achievement Medal or higher awards.

a. Command plaques and other emblematic items purchased from appropriated funds may only be used for:

- (1) Display in command spaces.
- (2) Exchange with other commands.
- (3) Presentation as awards.
 - (a) For officially established/continuing competitions/awards.
 - (b) On a one-time basis for extraordinary achievement providing the following three conditions are met:

- 1. Is a unique accomplishment.
- 2. Clearly contributes to increased effectiveness or efficiency.
- 3. Is not prohibited by other instructions.

b. A command plaque or other emblematic devices will not be presented as an award unless documented as approved by an awards panel established within the command. To maintain credibility, command plaques/emblematic devices must be awarded selectively, with the same discretion as Command Advancement, Navy Achievement Medal, or Letter of Commendation recommendations. Accountability and auditability of command plaque awards will be maintained. **It is not appropriate to present OPTAR-funded emblematic items or gifts (including shadow boxes, flag boxes, plaques, merchandise items, etc.) to newly reporting or departing personnel, or for reenlistment or retirements.** Uniform items such as rank insignia and qualification devices are a personal purchase responsibility. For a qualifying purchase, documents in support of procurement or manufacture of all emblematic items from OPTAR funds will bear the following statement: "The expenditure of appropriated funds for this purchase is authorized under applicable laws and regulations." The document will be signed by the activity's commanding officer or a shore activity's comptroller if funding is subject to Section 1517, Title

31, U.S. Code. CINCLANTFLTINST 7300 series provides more information to COMSUBLANT activities.

c. OPTAR funds should not be used to purchase plaques or other emblematic items that are presented to visiting non-DOD dignitaries or for enhancing the U.S. Navy image abroad. For these presentations, special purpose funds are available and centrally managed at the COMSUBLANT/COMSUBPAC staff level (refer to Section Five: Special Purpose Funds).

d. Purchase actions or transfers from Ship's Store, Government stock or commercial sources for emblematics as an entity or as raw materials, in violation of regulations make the Commanding Officer, Supply Officer, Comptroller and Procurement Officer responsible for repayment from personal funds. In addition, disregard of the rules may constitute violations of Section 1301, Title 31, U.S. Code 1301. This will subject persons involved to potential UCMJ disciplinary action that may be directed by any level of the chain of command during the violation review process. In addition, Congress has traditionally punitively reduced the operating funds of the responsible TYCOM proportionate to the misuse.

e. Control over the distribution of command plaques and other emblematics is required even when the plaque is issued "free" to the submarine. As an example, during upkeep, COMSUBLANT/COMSUBPACINST 4790 series prescribes a routine (XXCN F701) for the IMA to manufacture plaques for the submarine. The cost of these plaques is absorbed out of Repair of Vessels (ROV) funding, which are appropriated funds. Even though the submarine did not purchase these plaques from their own Other OPTAR, it is still the responsibility of the Commanding Officer to ensure subsequent use of the plaques is documented in accordance with this chapter. IMA personnel must ensure the following statement is attached to the 2-Kilo requesting the routine: "The expenditure of appropriated funds for this purchase is authorized under applicable laws and regulations and distribution will be in compliance with applicable laws and regulations." The document will be signed by the submarine's Commanding Officer.

f. Guidance has been promulgated concerning the purchase of low dollar value emblematic items for presentation purposes. COMNAVMILPERSCOM 172111Z DEC 86 authorized the use of allocated non-appropriated "recreation", not OPTAR, funds for purchasing emblematic items to be presented to personnel upon advancement, cost of these items may not exceed \$10.00. The maximum of \$10.00 per person per occasion limit applies to any presentation. No more than 25% of the authorized non-appropriated annual unit allocations can be used to purchase emblematic items. (Note: for ships and other decentralized activities, the 25% provision does not apply.)

CHAPTER 5 ADMINISTRATION OF APPROPRIATIONS AFTER PERIOD OF AVAILABILITY

6501. GENERAL. The FY 1991 National Defense Authorization Act and the FY 1991 Department of Defense Appropriation Act required significant changes in the management and accounting for appropriations after their period of availability - formally referred to as expired and lapsed accounts. The most significant impact of this legislation was to add three fiscal years to the existing accounting and reporting period. In the past, accounting and reporting functions was performed for three fiscal years: one current year open for the recording of obligations and expenditures and two prior years for the recording of expenditures only. Any O&MN fiscal year older than three years was consolidated into one "M-successor" account. The above acts discontinued the "M-successor" account.

6502. PERIOD OF ACCOUNTABILITY. Accounting and reporting is required for six fiscal years: one current and five prior years. Until references (a) and (c) can be updated to incorporate this change, assume the accounting and reporting requirements provided in reference (a) and (c) for the second prior fiscal year are also applicable to the third through fifth prior fiscal year. Among other things, this infers each activity will remain responsible for expenditure, unfilled order and Outstanding Travel Advance (OTA) tracking for six years, vice three. The official accounting system – STARS will continue to process cancellations and produce accounting reports to support all six fiscal years.

6503. COSTS CHARGEABLE TO PRIOR YEARS

a. **Price Changes.** Price changes incurred after the fiscal year expires for obligation purposes may be charged to the fiscal year of the original obligation. A price change is defined as a change in the original cost of the work due to inflation, etc. and not as a result of work expansion. As an example, Public Works Center (PWC) estimates \$500.00 to build a wall to divide two office spaces. The materials portion of this estimate is \$300.00. The activity provides a funding document for \$500.00 in FY95. The project continues into FY96, where PWC advises the activity that the same materials now cost \$325.00. The \$25.00 additional requirement can be charged to FY95 funds.

b. **Within Scope Growth.** If an obligation pertaining to a prior year incurs within scope growth and requires additional funding, that funding may be charged to the fiscal year of the original obligation. Within scope growth is defined as an expansion of work required to complete a project, but the expansion is still within the original description of work to be performed. For example, PWC estimates \$500.00 to build a wall to divide two office spaces. The activity provides a funding document in FY95. The work continues into FY96, where PWC discovers the studs need to be five inches apart rather than ten inches apart and therefore, more studs will be required costing an additional \$100.00. The \$100.00 can be charged to FY95 funds. For COMSUBLANT activities, approval authority for within scope growth transactions less than \$100K is delegated to each Commanding Officer. Within scope growth transactions equal to or greater than \$100K must be forwarded to CNO, via chain of command, for review and approval.

For COMSUBPAC activities, all requests will be submitted to COMSUBPAC Force Comptroller (Code N413) for review.

c. **Outside Scope Growth.** Any additional funding requirement for outside scope growth, incurred after the fiscal year of the original obligation expires for obligation purposes, **may not be charged** to the fiscal year of the original obligation. Outside scope growth is defined as a work expansion of the original description. For example, PWC estimates \$500.00 to build a wall to divide two office spaces. The activity provides a funding document in FY95. The project continues into FY96, but in FY96 the activity decides the wall should be wired for electricity. This will cost an additional \$200.00. The \$200.00 requirement should be charged to FY96, not FY95.

d. **Errors and Omissions.** If an obligation was incurred in the five most recent prior fiscal years, but was not recorded in the accounting system due to an error/omission, it can be established into the accounting system (after the fact) in the fiscal year in which it was incurred. This issue often comes up for prior year port visit bills. For example, USS Neversail visited the port of Augusta Bay and contracted with the local husbanding agent for telephone services in FY98. Due to error, USS Neversail neglected to establish the obligation in STARS. Now they are trying to pay the invoice, which gets held up because there is no obligation in STARS to support the expenditure. Even though FY98 has officially closed for obligation purposes, USS Neversail can still create the obligation against their FY98 OPTAR records because the obligation was incurred in FY98 (and was a valid requirement in FY98) and was left out of STARS in error. Note that USS Neversail will be required to submit a FY98 TL and FY98 BOR for the month. Also, note that an obligation cannot be created for an unauthorized commitment, until that commitment is ratified by a contracting facility.

e. **Funding required for requisitions/standard document numbers older than six fiscal years.** Activities are NOT allowed to charge accounting data that is older than the current or five prior fiscal years. If funding of this nature is required, it will have to be charged to the current fiscal year. Unusual charges of this nature are disruptive to the smooth execution of resources, therefore activities are strongly encouraged to minimize these types of charges by aggressively closing out all potential bills prior to the lapse of the fiscal year (i.e., at the 72nd month point). Typical situations that require funding past six fiscal years include distressed vendor invoices and payments due Navy Working Capital Fund activities. Payment of requisitions/standard document numbers older than six fiscal years must be referred to the TYCOM for resolution.

CHAPTER 6 NEW CONSTRUCTION FUNDING

6601. GENERAL. There are several areas of funding for new construction units that require clarification. The main categories, but not an all-inclusive list, are:

- a. Pre-Commissioning Operating Expenses. Reference - NAVCOMPT Manual paragraphs 034101 & 075373.
- b. Post Commissioning Operating Expenses.
- c. Procurement of Equipage/Equipment and Operating Space Items (OSI) before and after commissioning. Reference - NAVSEA ltr 4441 OPR: 3931222 of 25 September 1990.
- d. Commissioning Ceremony Expenses. Reference - NAVSEAINST 7303 series, NAVCOMPT Manual paragraph 075373, COMSUBLANTINST 5060 series.
- e. Travel Expenditures. Reference - COMSUBLANT/ COMSUBPACINST 1320 series.
- f. Equipment Replacement, Post Delivery. Reference - NAVCOMPT Manual paragraph 074320.3.

6602. PRE-COMMISSIONING OPERATING EXPENSES

- a. Only moderate provisions are allowed in the shipbuilding contract for support of pre-commissioning crews or maintenance that is accomplished by them. Funding for this purpose is provided to SUPSHIP by NAVSEA and is very limited. For units at Newport News and Groton, the pre-commissioning OPTAR is administered by the appropriate SUPSHIP Code 500.
- b. The fund is meant to purchase only those items required to conduct day to day business operations prior to commissioning (i.e., office supplies and other consumables). Supplies in excess of pre-commissioning requirements can not be purchased. Authority for final determination of "excess" quantities rests with the funds comptroller.
- c. Over time, the use of this fund has been expanded to include purchase of required preventative maintenance items for ship systems that have been turned over to ships force before the ship's delivery.

6603. POST-COMMISSIONING OPERATING EXPENSES. The appropriate TYCOM/Squadron/Group should provide O&MN OPTAR funds for the unit. If the unit is to be a COMSUBPAC asset, COMSUBPAC or a subordinate command of COMSUBPAC must provide all O&MN funding at commissioning.

6604. PROCUREMENT OF EQUIPAGE/EQUIPMENT AND OPERATING SPACE ITEMS (OSI)

a. Initial equipage requirements and OSI are purchased for the ship by the shipyard (by contract requirements) and by SUPSHIP for government furnished equipment (GFE) through the shipbuilding contract. OSI items include a great number of special tools authorized to be provided to the ship for maintenance. They are only purchased to the authorized allowance on board and are intended for contract delivery with the ship. Since equipage and OSI items are not consumables, there are no other funds available to purchase additional items of either category above the authorized allowance.

b. Normally OSI and equipage items are purchased and stored in a warehouse, some of which is stored for several years and loaded on board the unit in increments to support key events, like crew move aboard, Machinery check-out (MCO) and delivery. If the ship requires certain items prior to being loaded onboard, they should contact SUPSHIP Code 500 to see if this can be arranged. If and when equipage and OSI is loaded on board, it will require a ships force signature for all items delivered. The ship will get only the COSAL allowance for that item - no further quantity of this item will be delivered.

c. TYCOM funded items - there are some items that are not purchased by the shipbuilding contract or NAVSEA for the pre-commissioning unit. The TYCOM has developed a list of items which the SUPSHIP funds comptroller will be authorized to procure. These items are identified in Exhibit 66-1. Funding for these items will be provided directly from the TYCOM to SUPSHIP comptroller at the appropriate time. An important point: These items will probably not have stowage by ships drawing/plan, nor will stowage be provided, since they are not provided by the shipbuilder/NAVSEA.

6605. COMMISSIONING CEREMONY EXPENSES. NAVSEA provides, through SUPSHIP, funds required for the commissioning ceremony. Any requirement directly related to the commissioning ceremony should be charged to this fund. Appropriated Official Representation Funds (ORF) may be made available by SECNAV to partially fund the reception following the commissioning ceremony.

6606. TRAVEL EXPENDITURES

a. In general, travel funds are in very limited supply. Training TAD is provided and controlled by COMSUBLANT (Code N4133) until commissioning. Upon commissioning COMSUBLANT units will still go through COMSUBLANT Code N4133, COMSUBPAC units will request training from COMSUBPAC N7. Training TAD is restricted to absolute requirements due to funding constraints. Personnel should be ordered in with the required training enroute whenever possible.

b. Requests for administrative or emergency leave/ hospitalization TAD must go through the units administrative parent squadron.

c. Travel to the unit's namesake city for ceremonial purposes is considered a PAO expenditure and can be arranged between shipyard supply and COMSUBLANT/COMSUBPAC Public Affairs Office, Code N02P, as appropriate.

6607. EQUIPMENT REPLACEMENT, POST DELIVERY

a. An area of concern that arises quite often is the funding responsibility for broken equipment after shipyard delivery to the Navy. Two definitions must be understood to determine who is responsible for the equipment replacement. First is the delivery date. This is usually a few weeks prior to the commissioning date. This is when a Navy contracting representative formally accepts delivery of the unit from the shipyard with noted exceptions, jobs still in progress or requiring rework, to be worked. At this point the Navy owns the unit. Note, in most cases, the unit is not commissioned. The importance of this event is the shipyard guarantee starts running from this time. Currently, the Newport News Shipyard contractor guarantee is one year from delivery.

b. Determination of items requiring rework or replacement under the guarantee is accomplished during the ensuing sea trials.

c. The second definition is "contractor" verses "government" furnished material (CFM/GFM). Whether the material is CFM or GFM can be determined from "Schedule A" of the contract. The importance here is that if the contractor bought the equipment/material and it requires replacing as determined during the guarantee period, then the contractor must replace it. However, if the government furnished the material and, through no fault of the contractor, it requires replacement then the government (Unit/Squadron/TYCOM/NAVSEA) must pay for it.

d. When it is paid for by the government, the decision between NAVSEA funds and operational funds depends on two considerations: if the SCN funding window is still open (normally through PSA) for procurement and determination if the failed equipment is due to no fault of the ship (i.e., lack of PMS). If both conditions are met, then NAVSEA will fund the replacement. If not, the replacement must be negotiated between the parties and the purchase may have to be made by the Unit/Squadron/TYCOM.

6608. ADDITIONAL REQUIREMENTS. On occasion units have brought up requirements, which are in excess of what is permitted within these funding parameters. Requirements that are in excess of authorized funding must be purchased and provided by the future parent TYCOM or squadron. Type Commanders and thus squadrons, are not funded for non-commissioned ships. Therefore, any purchases made for a pre-commissioning unit diverts funds from operational support. Purchases made of this type are very rare.

EXHIBIT 66-1
TYCOM FUNDED ITEMS FOR PRE-COMMISSIONING UNITS

<u>ITEM NAME</u>	<u>A&I NUMBER</u>	<u>QTY</u>
Furuno Radar	N1405	1
Open Mike	N1347	1
Marine Band	N1517	1
Marine Radio	N1824	3
Wireless Intercom	-	12
Computers		6
Six IT-21 Compliant LAPTOP Computers		

Note: The items listed above are considered essential for the safety of the ship. Any other items will be considered on a case by case basis only.

CHAPTER 7 UNIQUE SPENDING SITUATIONS

6701. OMBUDSMAN

a. **Funding Guidance.** Certain funding support may be provided to command family ombudsmen, *if command funding permits*. In accordance with OPNAVINST 1750 series, appropriated (OPTAR) and non-appropriated funds may be used to provide financial support for the family ombudsman. Financial support includes: a telephone answering machine, paper, envelopes, pens, copier service, clerical yeoman assistance, computers, use of government phones and command telephone credit cards and government vehicle transportation. The ombudsman may use postage issued by the command, so long as the mailings carry the return address of the command and not the personal address of the ombudsman. Commanding Officers are also authorized to use appropriated (OPTAR) or non-appropriated funds to reimburse incidental personal expenses limited to child care expenses, mileage, parking, vehicle tolls and telephone toll calls (not covered by command telephone calling cards). Also reimbursable are incidental expenses such as individual appreciation dinners, awards and refreshments not to exceed \$25.00 per ombudsman, per event. Finally, training for the command family ombudsman to enable them to perform their duties can be paid from appropriated (OPTAR) or non-appropriated funds. Given funding constraints, strict adherence to planning and controlling these expenses is imperative. Further, the decision to fund the expenditure with either appropriated or non-appropriated funds rests with the Commanding Officer. All equipment provided (i.e., computer, answering machine) to the ombudsman remains the property of the command and must be returned to the command by the individual upon termination of their ombudsmen services.

b. **Reimbursement Process.** The ombudsman/volunteer seeking reimbursement must submit original receipts to the Commanding Officer or his designated representative. If the original receipts have been lost, the ombudsman must submit a signed statement indicating the amount of the claim, the expense category and the reason for the absence of the original receipt. If the Commanding Officer approves reimbursement, it must be decided whether appropriated, non-appropriated (i.e., MWR) or other available funding sources will provide payment. Claims for reimbursement using appropriated funds shall be submitted on Standard Form 1164, Claim for Reimbursement for Expenditures on Official Business. Claims will briefly describe the event or function for which reimbursement is sought, or summarize expenses for a given month. The Commanding Officer or designated representative will sign as the approving officer. The disbursing officer making payment will sign as certifying officer. The supply officer (afloat), or the comptroller (ashore) will provide the line of accounting from the activity's appropriated funds. Afloat accounting activities will use fund code CC (COMSUBLANT) or MC (COMSUBPAC) for child care expenses, mileage, parking and vehicle tolls and fund code CS (COMSUBLANT) or MS (COMSUBPAC) for telephone toll calls.

6702. TUITION. When connected with TAD orders, tuition is not considered as a miscellaneous travel expense. The appropriate source of funding for tuition costs (including registration fees, books and training material) is OPTAR, citing fund code "_U." Payment procedures for tuition are as follows:

a. **Training Conducted by Navy Activities.** The request, authorization, agreement, certification of training and reimbursement (DD Form 1556 - NSN 0102-LF-001-5560) will be used to pay for tuition. Instructions for completing the DD 1556 are located on the back of the form. The accounting data cited must be OPTAR accounting, fund code "_U". When the training involves multiple trainees for the same course, the continuation sheet (NAVSO Form 12410/63) can be used. The total price of training authorized by the use of a single DD 1556 may not exceed \$25,000. Normally, the Navy training source will accept the DD 1556 and bill the funding command directly. There is no responsibility on the part of the civilian or military member for the tuition cost. In those cases, however, where the Navy Training Center finds it essential to request activities to provide advance funding, the DD 1556 will still be used. In this case, the disbursing officer will prepare the public voucher showing the trainee as payee. Within 15 days of completing the training, the trainee will prepare a claim for reimbursement for expenditures on official business (SF 1164) itemizing training expenses, attaching the original receipts and submitting the original "agency finance/disbursing" copy of the DD 1556 which was endorsed with the advance payment information. The disbursing officer will liquidate the advance payment in the same manner as prescribed for travel advances.

b. **Training Conducted by Non-Navy Sources.** If the training is regularly scheduled, open to the general public and priced the same for all attendees, the DD 1556 may be used and the instructions/restrictions above apply. In the case of training, which is to be developed for and attended by Navy personnel only (military and civilian), it is the function of an authorized contracting officer to contract for the course.

6703. COMMERCIAL PERIODICALS. The purchase of all periodical subscriptions paid from appropriated funds shall be limited to those requisitions approved by the Commanding Officer or his delegated representative. The commanding officer may designate an individual or group to analyze mission-essentiality of each request for a paid subscription. The purchase of periodical subscriptions for either direct or indirect delivery to individuals, offices, or agencies shall be held to a minimum by ensuring the periodical is available in a library or routed to interested individuals and offices. "Periodical" is defined as a publication that appears at intervals, i.e., daily, weekly, bi-weekly, monthly, bi-monthly, quarterly, semi-annually, etc. Normally, each issue contains separate articles, such as stories and features plus pictures. Periodicals include newspapers, journals, proceedings, transactions, newsletters, pamphlets, etc. They may be published by commercial, non-profit, or government sources and may be available on subscription, either without charge or for a specified price. A file of all approved orders for paid periodicals will be maintained by each end-use activity to provide a clear audit trail. SECNAVINST 5070.4 series applies. Periodicals are charged to fund code _C.

6704. COMMERCIAL WAREHOUSE/STORAGE. General purpose space may be leased for an approved military mission if no government real property is available and all requirements are met as set forth in NAVFAC P-73, Chapter 13. The request for space will include a Standard Form 81, appropriate justification, proposed use, geographical boundaries and funding. Submit the request to the appropriate engineering field division via the type commander and major claimant. See NAVFAC P-73 for more detailed instructions.

6705. RELOCATABLE BUILDINGS (TRAILERS). OPNAVINST 11010 series and NAVCOMPT Volume 7 (paragraph 075386) provides guidance for the procurement, lease and use of relocatable buildings. Generally, use of relocatable buildings must be approved in advance by COMNAVFACENGCOM (procurement) or SECNAV (lease) via COMSUBLANT/COMSUBPAC (N44A). Request format includes estimate of costs, disposition of facility upon termination, plans for replacement and economic analysis. Procurement of relocatable facilities are generally funded under Other Procurement, Navy (OPN). Relocatable facilities are considered personal property (Class III) and, therefore, are not entered into the Navy Facility Assets Database (NFADB). Justification for a relocatable facility is normally associated with a project (i.e., overhaul, awaiting building construction, etc.).

6706. SMALL ARMS AMMUNITION. Ammunition and explosives are considered investments (e.g., WPN or OPN procurements), therefore, OPTAR dollars cannot be used for procurement. Furthermore, NAVCOMPT Volume VII requires NAVSEA authorization for open purchase of ammunition and NAVSUP Volume II requires adequate local control and test requirements for certification of open purchase. Ammunition is to be funded using the WPN appropriation. (NOTE: The OPN appropriation Budget Activity 4 (Ordnance Support Equipment) funds small arms ammunition.)

6707. SUPPLIES AND SERVICES PROVIDED TO FOREIGN COUNTRIES. In accordance with NAVCOMPT Manual 035950, work may be done for, or supplies or services furnished to, a foreign government only as authorized by the Secretary of the Navy and subject to the provisions of Navy Regulations 1973, Article 0749. The Secretary of the Navy has approved the delegation of authority, insofar as it applies to foreign naval vessels and aircraft, to the Chief of Naval Operations (CNO).

Naval vessels and military aircraft of friendly countries may be furnished certain supplies and services on a reimbursable basis without an advance of funds. The term "friendly foreign country" includes co-members of treaty organizations, those with which the Navy conducts joint exercises and those with which the Navy exchanges port calls. The supplies and services that may be provided include:

- a. Routine port services to naval vessels in territorial waters of the U.S. or in waters under U.S. control, including pilotage, tugs, garbage removal, line handling and utilities;
- b. Miscellaneous supplies to naval vessels and military aircraft, including fuel, provisions, spare parts and general stores, but not including ammunition; and
- c. Subject to the approval and issuance of an availability permit by the CNO in each instance, overhauls and repairs and alterations to naval vessels and military aircraft including necessary equipment and its installation required in connection herewith.

When routine port services, as described above, are provided by Navy personnel or equipment without direct cost to the Navy, such services may be furnished at no cost to the foreign country concerned. Further, port services, as described above, provided to naval vessels of an allied

country with a direct cost to the Navy may be furnished without reimbursement if such services are provided under an agreement that provides for the reciprocal furnishing by such country of routine port services to naval vessel of the United States without reimbursement. An allied country is a country that is a member of North Atlantic Treaty Organization (NATO), Australia or New Zealand, or any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State. If in doubt as to whether a foreign country has a reciprocal port services agreement, confirmation can be obtained from CNO (N412).

For chargeable port services and other supplies and services described above, charges for material furnished to a foreign government will be recorded on a Requisition and Invoice/Shipping Document (DD Form 1149) which must be receipted for by the foreign vessel at the time of service. Provide a copy of the receipted DD Form 1149 to the foreign government for its records. They need not pay at this time; they may be billed later. The DD 1149 will reflect the normal OPTAR accounting data and be accounted for as a normal OPTAR charge (i.e., obligate at OPLOC, accept expenditure against OPTAR, etc.). When the required work for the foreign vessel/government is completed, mail copies of all the applicable DD Forms 1149 to COMSUBLANT/COMSUBPAC (Code N413), who will prepare a voucher for disbursement and/or collection (NAVCOMPT Form 2277) and forward to the Defense Finance and Accounting Service, Washington DC, to effect collection from the foreign government. Work performed or supplies furnished to other than a friendly foreign government by tenders will be on a cash basis only. A NAVCOMPT Form 2277 will be prepared as a cash collection, with credit given to the accounting data that purchased the materials. Both the NAVCOMPT 2277 and the cash should be turned over to the appropriate disbursing officer. Again, in the case of repair work, the CNO must approve and issue an availability permit prior to commencement of repairs.

6708. DEMURRAGE CHARGES. Arrangements for commercial truck or trailer transportation services with common carriers generally allow two hours of free time for delivery with any excess time, as a result of a delay imposed by the receiving activity, subject to demurrage and/or detention charges. Demurrage and detention charges will be paid for by ship's OPTAR. Modify the appropriate purchase order or initiate a purchase order accordingly and forward with certified invoice for payment.

6709. SEASONAL DECORATIONS. COMGEN Decisions B-226011/B-226900 authorized the use of appropriated (i.e., OPTAR) funds for purchase of seasonal decorations (i.e., Christmas, New Year's, Easter and Thanksgiving). NAVCOMPT and NAVSUP provided amplifying guidance on procuring seasonal decorations. Based on several inquiries into this matter, the following is quoted from NAVCOMPT Letter 7320/268 NCB-611 of 25 AUG 89: "Any decision to use appropriated funds for seasonal decorations must consider local customs and constitutional issues such as freedom of speech and religion. Therefore, it is appropriate that decisions to use appropriated funds for these items be made by installation commanders within the context of local customs and practices. Additionally, installation commanders are responsible for the use of base resources and are, therefore, in the best position to ensure the exercise of prudence and discretion in authorizing the purchase and display of seasonal decorations." Although vague, NAVCOMPT determined that providing more specific guidance was neither practical nor desirable because of the number of situations that might be encountered by our field activities. In view of above

guidance and current financial constraints, all activities/units are urged to exercise restraint in purchasing seasonal decorations. Tight fiscal control remains a requirement as operational requirements should be given priority before making subject purchases. Also, in that military/civilian personnel members represent many different religions, no decoration should be offensive or exclusive. Decorations should be non-secular.

6710. HAZARDOUS WASTE/HAZARDOUS MATERIAL DISPOSAL. CINCLANTFLT/CINCPACFLT shore activities acting as hosts will fund all HW/HM disposal costs for themselves and assigned fleet tenants, afloat and ashore, via applicable Public Works Centers (PWCs), Departments (PWDs) or the Defense Reutilization and Marketing Service (DRMS), as appropriate. Non-fleet tenants (e.g., SUBSCHOOL New London) will provide funding to the host or servicing PWC/PWD as applicable. Shore activities job order masters should be structured to reflect the correct AG/SAG for necessary cost accumulation and reporting. For ships only, if HW is disposed to a non-fleet host or in a non-Navy or foreign port and disposal is not made to a local DRMO activity, ship's OPTAR should be used to fund the disposal. Cite fund code C6 for COMSUBLANT fleet units and M6 for COMSUBPAC fleet units.

6711. SHORE PATROL REQUIREMENTS. In accordance with Navy Travel Instruction, paragraph 6400, funding for lodging and subsistence (meals) for military members assigned to TAD for shore patrol are chargeable to travel funding. The only exception is subsistence for enlisted personnel, which is chargeable to the Military Personnel, Navy (MPN) appropriation. In no situation will shore patrol requirements be charged to non-travel OPTAR funds. COMSUBLANT/COMSUBPACINST 1320 series applies.

6712. DOD ACTIVITY ADDRESS CODES (DODAAC). In accordance with NAVCOMPT Manual 025000 and 086111, DODAACs are used to establish mailing, shipping and billing addresses applicable to interfund material requisitions issued by ships or other naval activities. Interfund bills are bills between activities of different military departments or Defense agencies, or between military departments or Defense agencies and the General Services Administration (GSA). The DODAACs are listed in the DOD Activity Address Directory (DODAAD) which is also used by Defense Automatic Addressing System (DAAS) for electronic routing of bills.

a. For ships, DODAACs are assigned to Navy vessels when construction commences. The DODAACs assigned at the time employ service designator code "N" with mailing and shipping addresses of the applicable building yard. When a vessel being constructed in a private yard is transferred to a Navy shipyard for fitting out and pre-commission inspection, the DODAAC entry is altered to reflect the address of the navy shipyard for mailing, shipping and billing purposes. Upon commissioning, a second DODAAC is assigned to the vessel reflecting service designator "V" or "R" to identify the applicable fleet (i.e., Atlantic or Pacific). The applicable Fleet Post Office (FPO) is used as the mailing address, a statement referring to the Fleet Locator is used in lieu of the shipping address and the address of the applicable DAO is used for billing purposes. Mailing and shipping addresses applicable to the original "N" service designator code are altered to correspond to the fleet addresses, but the address of the Navy shipyard is identified for billing purposes for a six month period to permit the billing pipelines to clear. At the end of the six month period, the "N" DODAAC billing address is deleted.

b. It is the responsibility of the Commanding Officer, Fitting Out Assistance and Supply Support Assistance Center (FOSSAC) to advise DFAS-Cleveland Center of the estimated commissioning date, fleet assignment and the ship's Fleet Post Office (FPO) address of ships being constructed or converted.

c. It is the responsibility of the receiving TYCOM to notify DFAS when a ship is transferred from one fleet to another or for intra-TYCOM change of homeports.

6713. CIVPERS LABOR COSTS FOR AFLOAT ACTIVITIES. In certain limited situations (i.e., MWR recreation specialists) ships and other afloat units may have a requirement for civilian personnel. Civilian personnel in this context refers to those Civil Services employees assigned to a WG or GS pay series. It does not include contractor personnel or reimbursement for Non-Appropriated Fund (NAF) employees.

a. Permission is first required from COMSUBLANT/COMSUBPAC (Manpower Division - Code N1) to hire civilian personnel. If permission is granted, identify the funding requirement for labor in your Annual Financial Plan (AFP). COMSUBLANT/COMSUBPAC Comptroller Office will provide the funding (if available) and Full-Time Equivalent (FTE) Workyear Hours ceiling authorization as part of your quarterly OPTAR grant. The FTE ceiling is not funding, rather, it represents a limit to the amount of workyears that can be incurred on civilian labor requirements. The squadron/group must ensure total actual workyear hours do not exceed the FTE ceiling authorized. If additional FTE ceiling is required, contact COMSUBLANT (Code N4131A) or COMSUBPAC (Code N41315), as applicable.

b. Civilian personnel cannot be charged to a ship UIC. If a ship requires civilian personnel, it should be assigned and paid from the parent squadron or group UIC. Further, in STARS-FL, no obligations are recognized for civilian labor. Labor will be received as direct charges to the SFOEDL as an unmatched expenditure. These charges will cite a “_F” fund code and should be described as “Labor Exp Difference.”

c. In order to set aside adequate funds to cover labor expenditures, report the estimated labor value as a memo record on the BOR in the remarks section. Remember to include fringe costs when calculating labor requirements. Fringe rates will vary from location to location, but a good starting point is to calculate 25%-30% of the basic labor salary. Obligations plus differences cannot exceed the total squadron/group grant.

d. To maintain civilian labor job order number consistency, COMSUBLANT N4131A/COMSUBPAC N41313 is responsible for creating the civilian labor job order numbers for afloat civilian labor and establishing the Civilian Labor Dictionary in the accounting system. As a cross-reference to the productive (i.e., regular, overtime, sick leave) job order numbers, the cost centers of the civilian personnel are linked specific job order numbers. The cost center is found on the SF-50 (block 43) and/or timecard. The civilian labor job order numbers will be provided to the applicable payroll processing office for entry into the Defense Civilian Pay System (DCPS). Groups/squadrons processing their own data directly into DCPS should contact COMSUBLANT N4131A/COMSUBPAC N41313 for civilian labor job order number information.

e. You should receive various labor reports from DFAS which detail the actual labor paid for the CIVPERS for which you are financially responsible. One helpful report is the NAVCOMPT 2270. It will indicate the total CIVPERS costs that will be charged on your SFOEDL and the FTE hours executed.

6714. COMMUNITY SERVICE PROGRAM. OPNAVINST 5350.6 series provides policy and guidance for the Community Service Program that is designed to support national youth education goals and a globally competitive America. Navy partnerships with local schools is often referred to by the term "Adopt-a-School", but this program can also apply to other youth institutions such as Boy/Girl Scouts, etc. Although OPNAVINST 5350.6 series should be read in its entirety prior to participating in this program, the following excerpt is provided with regard to appropriated/non-appropriated fund support:

a. Supplies, facilities and services provided to community service and Personal Excellence Partnerships shall be in accordance with article 0835 of U. S. Navy Regulations and chapter 4 of SECNAVINST 5720.44A. Donation of computer equipment to schools is permitted, but must be in strict compliance with the Defense Automation Resources Information Center (DACRIC) of Defense Information Systems Agency. Donation of other federal surplus supplies is permitted in strict compliance with the Property Management Division of the U. S. General Services Administration. Transportation may be provided in support of Navy community service and Personal Excellence Partnership activities by commands, if local commercial transportation or other community support service (e.g. school buses, metro buses) is unavailable and the purpose of the field trip is to increase public understanding of Navy activities and missions. Note that any authorized expenditure of funds for this program shall not compromise command operational goals or objectives and must be absorbed within existing budget parameters.

b. Commanding Officers may authorize partnerships during work hours by adjusting normal duty schedules or granting liberty, leave, or no-cost travel orders to military personnel to permit their participation in volunteer activities. For civilian employees, the Commanding Officer may authorize "flex-time" or excuse civilian employees for short periods of time without loss of pay or charge to leave, to participate in command-sponsored volunteer activities.

6715. CIVILIAN PERMANENT CHANGE OF STATION (PCS). Detailed guidance in the preparation and management of civilian PCS orders is provided in the Joint Travel Regulations (JTR), Volume 2, C1400 (Part C) and the Federal Employees Almanac. Since it is a travel entitlement issue, it is not appropriate for detailed discussion in this instruction. However, since some PCS costs are non-TAD OPTAR costs, the following provides a breakdown of costs and the applicable fund code (for afloat units) or expense element (for shore activities). This information is extracted from NAVCOMPT Manual 026002.

a. **Labor costs.** Afloat activities will cite the civilian labor job order number and associated line of accounting as provided by COMSUBLANT N4131A or COMSUBPAC N41313, charging Commands and Staffs OPTAR; shore activities will develop a job order reflecting expense element "U" for:

(1) Temporary quarters of traveler and family;

(2) Real estate costs such as expenses of the sale of the old residence and purchase of the new home; or settlement of any unexpired lease;

(3) Miscellaneous expenses such as cutting and fitting rugs, draperies, curtains, automobile registration, driver's license, etc..

b. **Storage of Household Goods.** Afloat activities cite fund code _U and charge to Commands and Staffs OPTAR; shore activities will develop a job order reflecting expense element "Q" for storage of household goods.

c. **Travel costs.** Afloat activities cite fund code _Q and charge to Commands and Staffs TAD account; shore activities will develop a job order reflecting expense element "E" for:

(1) Per diem enroute for traveler and family which includes the cost to physically move the family including lodging, meals and transportation;

(2) House hunting trip for employee and spouse including lodging, meals and transportation.

6716. OFFICIAL MAIL COSTS. For most COMSUBLANT/COMSUBPAC activities, the payment of official postage is the responsibility of the host base command on which the activity resides. For squadrons with tenders, however, cost for postage for the squadron, tender and subordinate units will be assumed by the tender. Exhibit 67-1 clarifies this responsibility.

a. Use of penalty mail instruments - stamps, meters, permit imprints, second-class and business reply mail - is not authorized.

b. Use of commercial postage stamps/meters and all other United States Postal Service (USPS) services available to the private sector is authorized. Payment for all USPS services will be made at the time the service is contracted in "real" monies - cash, check, money order and Advance Deposit Trust Account (ADTA).

c. Include postage expenses (non-investment) in Annual Financial Plans (for groups and squadrons) or budget submissions (for shore activities). Investment-type equipment (meeting the criteria for Other Procurement, Navy funds) should be addressed in annual Operating Forces Support Equipment submissions.

To better manage and reduce mail costs, ensure the following is accomplished:

a. Designate an Official Mail Manager (OMM) (for afloat activities, E-7 or above) who shall be responsible for the official mail function. The OMM may not be the Postal Officer.

b. Limit the supply of postage stamps. Postage stamps are intended for use by small volume mailers with outgoing mail too low to justify postage meters. Therefore, commands with mail meters should maintain no more than a 10-day supply. Deployed units are authorized a 90-day stock of official mail stamps when deployed to areas without official mail meters. Under no circumstances will the supply of official mail stamps exceed a 90-day supply.

c. Minimize use of expensive services such as express mail, two day priority mail, merchandise return, business reply mail and special services such as registered, certified and insured mail.

d. Take advantage of less expensive USPS postal services such as third-class (for circulars, books and other printed matter weighing less than sixteen ounces) and bulk mail.

e. Maximize use of other means to transport the message or item, when applicable, such as guard mail, fax, message, telephone call, freight, small parcel carrier, or other no cost or low cost mail services.

6717. CELLULAR TELEPHONE POLICY. Cellular telephones will be used for conducting official business only. Cellular telephones used by ashore naval base activities, although not directly connected to a base telephone, are base telephones and are managed by the servicing activity providing telephone service. This management includes, but is not limited to, life cycle management approval, billing certification/review and continued operational oversight. Cellular telephones used afloat are under the purview of the fleet commanders and will be approved, acquired and managed under their direct delegation. All users of cellular telephones must be reminded of the following:

a. Do not make long distance credit card calls over a cellular telephone. Account numbers and security codes can be easily intercepted and abused.

b. Cellular phones are not secure and not approved for use when discussing classified/sensitive information except for approved secure configurations, such as STU-III cellular.

c. The government employee assigned the cellular phone is responsible for safeguarding its usage. Phones must be safeguarded to preclude unauthorized use.

d. Call logs should be kept to permit billing certification and detection of misuse.

e. Incoming calls to a cellular phone generate charges to the cellular phone user. Therefore, do not distribute the government cellular phone number to private individuals who would call on unofficial business.

f. Cellular phone use while operating a vehicle is not recommended.

g. Stolen/missing cellular telephones must be reported immediately so service can be canceled to preclude illegal use/charges. Initiate survey for missing phone.

h. Cellular telephones are generally like any standard desktop government telephone and therefore, most of the same rules, regulations and guidance apply.

Supply Officers/Comptroller personnel are reminded that any telecommunication solution chosen by any COMSUBLANT/COMSUBPAC activity must be the most cost effective. While the initial cost of procuring a cellular telephone is relatively inexpensive, the costs of using the unit may be substantial over time. Possible alternatives to consider are the various paging services available and schedule call backs to the office.

6718. RENTAL AND LEASE-TYPE ANNUAL CONTRACTS WHEN PERFORMANCE EXTENDS BEYOND 30 SEPTEMBER. As a general rule, a service contract is funded by the current annual appropriation. However, the DFAS-CL ACCOUNTING CLASSIFICATIONS MANUAL 022072.2R (formerly NAVCOMPT Volume 2) and, 10 USC (2410A) provides that contracts for “maintenance of tools, equipment and facilities” may be entered into at any time during the fiscal year and charges to that fiscal year may be made for up to twelve months of continuous service. This funding policy applies to janitorial, depot maintenance, ground maintenance, pest control and guard service contracts. In addition, this rule applies to the lease of ADP hardware and software including its maintenance when contracted for as part of the lease agreement.

6719. COMMON-SUPPORT TO MWR. In accordance with NAVCOMPT Manual 075500, all MWR activities, regardless of category (i.e., Category A - Mission Sustaining Activity - primarily supported by O&MN funds; Category B - Basic Community Support Activity - generate some revenue due to collection of ‘fees’, but not expected to be self-sustaining therefore receiving some O&MN support; and Category C - Business Activities - expected to be self-sustaining, therefore receiving limited O&MN support) are authorized to receive appropriated fund (APF) common support associated with protecting the health and safety of personnel and property (fire protection including acquisition and installation of extinguisher, sprinkler and alarm systems); security protection, including physical security of buildings (such as alarm systems and security bars) and protection of funds (the O&MN funds provider can provide ‘audit’ services); pest control; sewage disposal; trash and garbage removal (not authorized for military exchanges in the CONUS); snow removal; safety; medical, veterinary and sanitary inspections; rescue operations; and facility maintenance or repair necessary to maintain the structural integrity and external appearance of the Navy-owned buildings (includes electrical, mechanical, roofing, foundations, windows and doors), or to correct fire and safety deficiencies. When these costs are additional, identifiable and can be segregated on a reasonable and meaningful basis, they should be identified as MWR costs and reported against the MWR appropriated funds authorized. In addition, all MWR activities may utilize other common support services, which are provided by a base or installation commander and are not directly related to the health and safety of personnel and property. Such common support services typically include, but are not limited to: Custodial services, communication (telephones), legal service and advice and technical guidance,

administration and assistance in accounting, financial management, procurement and civilian personnel. In the case of Category C activities, NAF must be charged for these latter costs.

6720. PAYMENT OF CONFERENCE FEES. When an individual is acting in a capacity as the official representative of an activity, payment of fees for registration for attendance at meetings, conferences, seminars or similar activities may be authorized for payment at government or non-federal technical, scientific, professional, or comparable private societies, associations, or organizations. As a general rule, the Comptroller General of the U.S. has taken the position that appropriated funds cannot be used to pay for personal expenses such as meals, refreshments and coffee, unless specifically authorized by statute. He has recognized, however, that refreshments may be provided for federal employees as a necessary expense under the Government Employees Training Act, 5 USC 4109(a)(2)(f)(1988) which provides that the head of an agency may pay the necessary expenses of training.

6721. DAMAGE OF PROPERTY FROM ONE SERVICE BRANCH TO ANOTHER. As a general rule, a federal activity which damages public property under the control of another federal activity may *not* pay a claim for that damage. This rule is sometimes referred to as the “interdepartmental waiver doctrine” and is based on the premise that ownership of public property is in the United States as a single entity and not in the individual departments or agencies. Further, it is the responsibility of the “owner” of the property to maintain or repair that property to keep it suitable for its intended purpose. The rule is also established to avoid 31 USC 1301 violations, which restrict the use of appropriations to the purposes for which they were made. As a “real-life” example, NAVSUPACT La Maddalena requested USS SIMON LAKE provide reimbursement when high winds caused the USS SIMON LAKE to break the underwater moorings at its dock. NAVSUPACT owned the pier and moorings and was not entitled to reimbursement for this pier damage.

There are some exceptions to this rule. One is for the General Services Administration (GSA) which, by law, is authorized to recover all costs connected with the operation of the interagency motor pool system. The rule also does not apply when the “owner” of the property is a Navy Working Capital Fund (NWCF) activity. It should be noted this rule does not totally let the responsible person off the hook, who still may be subject to discipline when the damage is caused by negligence and misconduct. If a property damage situation arises, be sure to contact the COMSUBLANT/COMSUBPAC Comptroller department to determine liability *before* payment is made from OPTAR funds.

6722. LODGING. Commercial lodging during port visits for "hot bunking" personnel is authorized to be procured from appropriated (OPTAR) funds when government furnished lodging is unavailable. The number of rooms rented will be maintained at a strict minimum and be used by the "hot bunking" personnel only (i.e., not intended to be used by personnel who have a permanent bunk assigned). High port visit costs and a reduced funding environment has made effective and efficient use of OPTAR funds paramount.

6723. PURCHASE CARD GUIDANCE. (COMSUBLANT only) The Federal Acquisition Streamlining Act of 1994 provides flexibility for the procurement of micro-purchases through the

use of the Purchase Card. Micro-purchases are purchases of \$2,500 or less and authority for these Purchase Card purchases has been delegated to Supply Officers of COMSUBLANT submarines and supporting activities. Complete guidelines, procedures and safeguards are provided in the most current issue of COMSUBLANT's Government Commercial Purchase Card Program Procedural Guide. The Purchase Card is easy to use and manage. However, the administrative procedures provided in this guide must be strictly followed to ensure proper vendor payment, prevent delinquent interest penalty charges and prevent fraudulent use. The COMSUBLANT point of contact for this program is N4122.

Lessons learned in the inaugural use of the purchase card are discussed below:

a. **Single line of accounting (LOA)**. Ships/staffs will establish one LOA for each card.

(1) Submarines/support ships are limited to two LOAs. One card can reflect a repair part fund code ("CR" for SUBLANT activities; "MR" for SUBPAC activities) LOA and a second card can reflect an Other OPTAR fund code ("CC" for SUBLANT; "MC" for SUBPAC) LOA.

(2) Tenders may use three lines of accounting: one card for repair parts (fund code "CR" or "MR" as applicable); one for Other OPTAR (fund code "CC" or "MC" as applicable); one for ROV (fund code "CG" or "MG" as applicable). Tenders must ensure that Purchase Card charges, which benefit submarines (or other UICs), particularly for ROV refits, are B-summarized to the benefiting UIC.

(3) Groups, Squadrons and other afloat staffs are limited to two LOAs - each card citing a fund code that represents the majority of purchases.

(4) Shore activities (i.e., TRF, NSSF, NSTF, CUS) operating under reference (c) procedures are limited to two LOAs of their choosing and are required to effect job cost transfers to internally transfer charges from their two LOAs to the appropriate job order.

b. **Bulk funding**. Under NO circumstances are Purchase Card purchases to be assigned individual/different requisition numbers/LOAs. Each LOA/card is to be bulk funded. As an example, the LOA for repair parts is represented by *one* requisition number and *one* obligation in SNAP (or other local accounting system)/STARS. The obligation may be incrementally funded (citing the *original* document number and julian date, with a quantity "C9999"). All funding as obligated through SNAP (or applicable local accounting system) and as transmitted to STARS, must *equal or exceed* current cumulative purchases as recorded on the purchase card user log. If sufficient funding is not resident in STARS, the payment of the invoice will be suspended by DFAS and interest penalties will accrue. When determining the proper value of the obligation, be sure to consider and compensate for the time lag in getting the obligation from SNAP (or other local system) to STARS.

c. **Invoice processing**. Correct invoice and cardholder statement certification is required for prompt payment by DFAS. Guidance for invoice processing is covered extensively in

the most current version of the COMSUBLANT Government Commercial Purchase Card Program Procedural Guide.

6724. BUSINESS CARD GUIDANCE. The Department of the Navy has authorized general flag rank or civilian Senior Executive Service members to authorize the printing of business cards for government employees who require the cards to perform official duties. This authority cannot be delegated. Personnel should only be allowed to have business cards if they require them to assist in the performance of their duties, which support the mission of the activity. That is, when exchanging business cards will assist personnel in mission-related business communications, which is different from the extension of a social or business courtesy. Most personnel will only need 30-50 cards at most. Business cards can only be printed using government purchased card stock with existing software on government computers. If the quality of the cards printed in accordance with this policy is not satisfactory, then the employee may use personal funds to go to a commercial printer. Requiring the use of “existing software” was intended to restrict individuals from bringing their own software to print business cards, or for expending more than the minimal amount of appropriated funds to print cards. Microsoft Word (the Navy standard) or WordPerfect can both design and print business cards. The intent is not to develop an in-house business card capability that requires specialized software and/or equipment.

EXHIBIT 67-1
OFFICIAL MAIL COORDINATORS - COMSUBLANT

<u>OFFICIAL MAIL COORDINATOR</u>	<u>SERVICED ACTIVITY</u>
SUBASE, Kings Bay	All tenant activities and homeported submarines
SUBASE, New London	All tenant activities and homeported submarines except COMSUBGRU 2
COMSUBGRU 2	COMSUBGRU 2
Naval Weapons Station, Yorktown	SUBTORPFAC Yorktown
Naval Support Activity, Naples	COMSUBGRU-8
Commander, Mid-Atlantic Region	SSSU Norfolk/subordinate units
USS Emory S. Land (AS-39)	COMSUBRON 22/subordinate units

OFFICIAL MAIL COORDINATORS - COMSUBPAC

<u>OFFICIAL MAIL COORDINATOR</u>	<u>SERVICED ACTIVITY</u>
NAVBASE, Bangor	All tenant activities and homeported submarines
Naval Station, Pearl Harbor	All tenant activities and homeported submarines
NAVBASE, San Diego	All tenant activities
COMSUBRON 11	COMSUBRON 11 and submarines
NAS North Island	Deep Submergence Unit & Dets
NAVSHIPYD, Puget Sound	SUBLOGSUPPCEN, Bremerton and COMSUBPAC Shipyard Rep Puget Sound
COMFLEACT, Yokosuka	COMSUBGRU 7 staff

LIST OF EFFECTIVE PAGES

<u>PAGE</u>	<u>CHANGE NO.</u>
Cover Letter	Original
i through iv	Original
1-1 through 1-14	Original
2-1 through 2-40	Original
3-1 through 3-24	Original
4-1 through 4-14	Original
5-1 through 5-10	Original
6-1 through 6-36	Original
LOEP 1-2	Original

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